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PART II

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Uniform System of Accounts for Class C Public Utilities and Licensees

Title 18—CONSERVATION OF POWER

Chapter I—Federal Power Commission

SUBCHAPTER C—ACCOUNTS, FEDERAL POWER ACT

[Order No. 225; Docket No. R–184]

PART 104—UNIFORM SYSTEM OF ACCOUNTS FOR CLASS C PUBLIC UTILITIES AND LICENSEES

This Commission has under consideration in this proceeding the revision of Part 104—Application of Uniform System of Accounts to Class C and Class D Public Utilities and Licensees of Subchapter C—Accounts, Federal Power Act, of Chapter I—Federal Power Commission, Title 18—Conservation of Power, of the Code of Federal Regulations (CFR), to prescribe a revised Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act (Class C). That revised System of Accounts, as set forth in the attachment to the Notice of Proposed Rulemaking in this docket (25 F.R. 7567–7600) is prescribed hereinafter to become effective January 1, 1961.

Part 104, §§ 104.1 through 104.11, of said Title and Code correspond to, and appear at pages 195–219 of the Commission's pamphlet publication of its Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act, effective January 1, 1937 (effective January 1, 1938, as to Class C and Class D Public Utilities and Licensees),[1] revised to September 1, 1957, as amended by Order No. 204[2] issued May 29, 1958 (23 F.R. 4160, June 12, 1958). That System of Accounts, as revised and prescribed hereinafter, follows the numbering system (accounts, instructions, definitions, etc.) used in the Notice of Proposed Rulemaking referred to above.

Important developments in the electric power industry since the adoption in 1936 of the Uniform System of Accounts effective January 1, 1938, and the experience of the Commission over the past 24 years indicated the need for a revision of the System of Accounts. Accordingly, this proceeding was commenced by Notice of Proposed Rulemaking served upon interested parties, including State and Federal regulatory agencies, and by publication in the FEDERAL REGISTER on August 10, 1960 (25 F.R. 7566). Copies of the proposed revised System of Accounts were served and published as a part of that general notice, as heretofore noted.

The revisions of the Commission's System of Accounts, as then proposed are prescribed hereinafter as a part of the Commission's Uniform System of Accounts to become effective January 1, 1961.

Heretofore, the Commission has not had a separately issued Uniform System of Accounts for Class C Public Utilities and Licensees, as such. The accounting requirements presently effective for small utilities (Class C and Class D), consist of an abridgement of the accounts for large public utilities and licensees by means of account charts appearing as Appendix III of the pamphlet version of the Uniform System of Accounts. In these account charts, the condensed accounts applicable to the small utilities are indicated by bracketing related account titles applicable to Class A and Class B utilities. The result is that small utilities have had to work with an inordinate amount of textual materials designed for larger utilities. An objective of the System of Accounts, prescribed hereinafter is to relieve small utilities from that burden. It is believed that the revised System of Accounts provides these smaller utilities with a simplified System of Accounts appropriate for the magnitude of their operations. The revised System of Accounts prescribed herein reflects the basic principles found in this Commission's recently issued revised Uniform System of Accounts Prescribed for Class A and Class B Public Utilities and Licensees subject to the Provisions of the Federal Power Act, Docket No. R–173. The revised System of Accounts introduces the following important improvements in this Commission's small utility accounting requirements:

a. New size classifications for electric utilities;

b. Certain necessary new accounts;

c. New arrangement of balance sheet and certain other accounts to make them more informative;

d. A reduced number of expense account classifications, mainly but not entirely, by the discontinuance of segregations of numerous functional accounts as to labor and other expenses;

e. Expanded items lists of account texts and clearer description of such items according to their functional nature, to facilitate use and consistency of respective account classifications; and

f. Restatements of the accounting aspects of certain accounting interpretations issued in the past.

In recommending the form of revised System of Accounts accompanying the Notice of Proposed Rulemaking in this proceeding, the staff of this Commission correlated its activities with the activities of the National Association of Railroad and Utility Commissioners (NARUC) which has recently prepared a form of NARUC Uniform System of Accounts for Class C electric utilities. This was done to promote continued consistency and uniformity of approach to the common problems with which the two accounting systems are concerned; and to assure a minimum amount of deviation where the two accounting systems do differ. The staff's activities in this regard were undertaken mainly with the Committee on Statistics and Accounts of the NARUC.

The aforesaid Notice of Proposed Rulemaking provided for the submission of data, views, comments, or protests in writing not later than September 12, 1960. To date no such data, views, comments, or protests have been received.

The Commission recognizes that some burden and expense will have to be borne by the accounting and reporting parties affected in connection with the transition from the present to the revised System of Accounts. However, the Commission is of the opinion that the physical burden and monetary cost of the change over is of minor importance when viewed in relation to the immediate and future benefits to be derived from the revised System of Accounts, as prescribed herein.

For the convenience of all parties concerned, Appendix A set forth below correlates the account titles of the Commission's Uniform System of Accounts applicable to Class C Public Utilities and Licensees, effective January 1, 1938, with the revised System of Accounts prescribed herein effective January 1, 1961. Being a schematic presentation only, and of a very general nature, nothing contained therein shall be construed as in any way modifying the general or specific account titles, texts, and instructions of either of the Systems of Accounts.

Also, it should be noted that for the period of time required for the preparation and publication of the revised System of Accounts prescribed herein in pamphlet form, the revised System of Accounts (18 CFR Part 104) will be available in the printed form set forth below as Appendix B.

The Commission finds:

(1) In view of the foregoing, and upon consideration of all relevant matters presented, it is necessary and appropriate for the purposes of the Federal Power Act, that the proposed revised System of Accounts as set forth in the Notice of Proposed Rulemaking (25 F.R. 7567–7600), be adopted and promulgated as this Commission's revised Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act (Class C), effective January 1, 1961, all in the manner as hereinafter provided.

(2) Good cause exists for the adoption of the revised System of Accounts set forth herein to be effective as of January 1, 1961.

The Commission, acting pursuant to the Federal Power Act, as amended, particularly sections 301(a), 304, and 309 (16 U.S.C. 825, 825c, and 825h), orders:

[1] The Uniform System of Accounts effective January 1, 1938, was prescribed by Commission Order No. 43, dated December 31, 1936 (2 F.R. 77, January 16, 1937); and was contained in the codification and reissuance of the Commission's general rules promulgated by Commission Order No. 141, December 11, 1947, effective January 1, 1948 (12 F.R. 8461). Insofar as the above sections are by their terms applicable to State and municipal licensees, that requirement was dispensed with by the Act of August 15, 1953, 67 Stat. 587.

[2] Also see Order No. 216 issued October 22, 1959 (24 F.R. 8790, October 29, 1959).

(A) Effective January 1, 1961, Part 104, Subchapter C—Accounts, Federal Power Act of Chapter I—Federal Power Commission, Title 18—Conservation of Power, of the Code of Federal Regulations is amended to read as set forth in Appendix B below.

(B) Effective January 1, 1961, all Class C Public Utilities and Licensees under the Federal Power Act shall keep their accounts in the manner set forth in the revised System of Accounts appearing in Appendix B below.

(C) The Secretary of the Commission shall cause prompt publication of this order.

Issued: December 13, 1960.

By the Commission.

[SEAL] J. H. GUTRIDE,
Secretary.

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Public Utilities and Licensees effective Jan. 1, 1938, with the revised system of accounts effective Jan. 1, 1961*

From the system of accounts effective Jan. 1, 1938, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1938		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
BALANCE SHEET ACCOUNTS			BALANCE SHEET ACCOUNTS
ASSETS AND OTHER DEBITS			ASSETS AND OTHER DEBITS
1. Utility Plant			*1. Utility Plant*
Electric plant:			
Electric plant in service, leased to others and and held for future use.	1100.1	101	Electric plant in service.
		104	Electric plant leased to others.
		105	Electric plant held for future use.
Construction work in progress	1100.3	107	Construction work in progress—electric.
Electric plant acquisition adjustments	1100.5	114	Electric plant acquisition adjustments.
Electric plant in process of reclassification	1100.6	103	Electric plant in process of reclassification.
Electric plant adjustments	1107	116	Other electric plant adjustments.
Other utility plant	1108	118	Other utility plant.
2. Investment and Fund Accounts			*2. Other Property and Investments*
Other physical property	1110	121	Nonutility property.
Miscellaneous investments and special funds	1114	124	Other investments.
		125	Special funds.
3. Current and Accrued Assets			*3. Current and Accrued Assets*
Cash and working funds	1120	131	Cash and working funds.
Temporary cash investments	1123	132	Temporary cash investments.
Notes and accounts receivable	1124	141	Notes receivable.
		142	Customer accounts receivable.
		143	Other accounts receivable.
Receivables from associated companies	1126	145	Notes receivable from associated companies.
		146	Accounts receivable from associated companies.
Materials and supplies	1131	150	Materials and supplies.
Prepayments	1132	165	Prepayments.
Miscellaneous current and accrued assets	1133	170	Other current and accrued assets.
4. Deferred Debits			*4. Deferred Debits*
Unamortized debt discount and expense	1140	181	Unamortized debt discount and expense.
Extraordinary property losses	1141	182	Extraordinary property losses.
Miscellaneous deferred debits	1146	183	Other deferred debits.
5. Capital Stock Discount and Expense			
Discount on capital stock	1150	213	Discount on capital stock.
Capital stock expense	1151	214	Capital stock expense.
6. Reacquired Securities			
Reacquired securities	1152	217	Reacquired capital stock.
		221	Bonds.

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1938

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1938	
Account title	No.	No.	Account title
BALANCE SHEET ACCOUNTS			BALANCE SHEET ACCOUNTS
ASSETS AND OTHER DEBITS			ASSETS AND OTHER DEBITS
1. Utility Plant			*1. Utility Plant*
Electric plant in service	101	1101.1	Electric plant in service.
Electric plant purchased or sold	102	1391	Electric plant purchased.
		1392	Electric plant sold.
Electric plant in process of reclassification	103	1100.6	Electric plant in process of reclassification.
Electric plant leased to others	104	1101.1	Electric plant leased to others.
Electric plant held for future use	105	1101.1	Electric plant held for future use.
Construction work in progress—electric	107	1100.3	Construction work in progress.
Accumulated provision for depreciation and amortization of electric plant.	110	1250	Reserve for depreciation of electric plant.
		1251	Reserve for amortization of limited term electric investments.
Electric plant acquisition adjustments	114	1100.5	Electric plant acquisition adjustments.
		1252	Reserve for amortization of electric plant acquisition adjustments.
Other electric plant adjustments	116	1107	Electric plant adjustments.
Other utility plant	118	1108	Other utility plant.
Accumulated provision for depreciation and amortization of other utility plant.	119	1253	Reserve for depreciation and amortization of other property.
2. Other Property and Investments			*2. Investment and Fund Accounts*
Nonutility property	121	1110	Other physical property.
Accumulated provision for depreciation and amortization of nonutility property.	122	1253	Reserve for depreciation and amortization of other property.
Other investments	124	1114	Miscellaneous investments and special funds.
Special funds	125		
3. Current and Accrued Assets			*3. Current and Accrued Assets*
Cash and working funds	131	1120	Cash and working funds.
Temporary cash investments	132	1123	Temporary cash investments.
Notes receivable	141	1124	Notes and accounts receivable.
Customer accounts receivable	142		
Other accounts receivable	143	1221	Notes receivable discounted.
Accumulated provision for uncollectible accounts—cr.	144	1254	Reserve for uncollectible accounts.
Notes receivable from associated companies	145	1126	Receivables from associated companies.
Accounts receivable from associated companies	146		
Materials and supplies	150	1131	Materials and supplies.
Prepayments	165	1132	Prepayments.
Other current and accrued assets	170	1133	Miscellaneous current and accrued assets.
4. Deferred Debits			*4. Deferred Debits*
Unamortized debt discount and expense	181	1140	Unamortized debt discount and expense.
Extraordinary property losses	182	1141	Extraordinary property losses.
Other deferred debits	183	1146	Miscellaneous deferred debits.

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Public Utilities and Licensees effective Jan. 1, 1938, with the revised system of accounts effective Jan. 1, 1961*—Continued

From the system of accounts effective Jan. 1, 1938, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1938		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
BALANCE SHEET ACCOUNTS—Continued			BALANCE SHEET ACCOUNTS—Continued
LIABILITIES AND OTHER CREDITS			LIABILITIES AND OTHER CREDITS
7. Capital Stock			*5. Proprietary Capital*
Common capital stock	1200	201	Common capital stock.
Preferred capital stock	1201	204	Preferred capital stock.
Stock liability for conversion	1202		
Premiums and assessments on capital stock	1203	207	Other paid-in capital.
Capital stock subscribed	1204		
Installments received on capital stock	1205	212	Installments received on capital stock.
8. Long-Term Debt			*6. Long-Term Debt*
Bonds	1210	221	Bonds.
Receivers' certificates	1211	224	Other long-term debt.
Advance from associated companies	1212	223	Advances from associated companies.
Miscellaneous long-term debt	1213	224	Other long-term debt.
9. Current and Accrued Liabilities			*7. Current and Accrued Liabilities*
Notes and accounts payable	1220	231	Notes payable.
		232	Accounts payable.
Notes receivable discounted	1221	141	Notes receivable (see note).
Payables to associated companies	1223	233	Notes payable to associated companies.
		234	Accounts payable to associated companies.
Dividends declared	1224	238	Other current and accrued liabilities.
Matured long-term debt	1225		
Matured interest	1226		
Customers' deposits	1227	235	Customer deposits.
Taxes accrued	1228	236	Taxes accrued.
Interest accrued	1229	237	Interest accrued.
Other current and accrued liabilities	1230	238	Other current and accrued liabilities.
10. Deferred Credits			*8. Deferred Credits*
Unamortized premium on debt	1240	251	Unamortized premium on debt.
Customers' advances for construction	1241	252	Customer advances for construction.
Other deferred credits	1242	253	Other deferred credits.
11. Reserves			*9. Operating Reserves*
Reserve for depreciation of electric plant	1250	110	Accumulated provision for depreciation and amortization of electric plant.
Reserve for amortization of limited-term electric investments.	1251		
Reserve for amortization of electric plant acquisition adjustments.	1252	114	Electric plant acquisition adjustments.
Reserve for depreciation and amortization of other property.	1253	119	Accumulated provision for depreciation and amortization of other utility plant.
		122	Accumulated provision for depreciation and amortization of nonutility property.
Reserve for uncollectible accounts	1254	144	Accumulated provision for uncollectible accounts—cr.
Miscellaneous reserves	1258	261	Property insurance reserve.
		262	Injuries and damages reserve.
		263	Pensions and benefit reserve.
		264	Amortization reserve—Federal.
		265	Miscellaneous operating reserves.
12. Contributions in Aid of Construction			*10. Contributions in Aid of Construction*
Contributions in aid of construction	1265	271	Contributions in aid of construction.

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1938

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1938	
Account title	No.	No.	Account title
BALANCE SHEET ACCOUNTS—Continued			BALANCE SHEET ACCOUNTS—Continued
LIABILITIES AND OTHER CREDITS			LIABILITIES AND OTHER CREDITS
5. Proprietary Capital			*7. Capital Stock*
			14. Surplus
Common capital stock	201	1200	Common capital stock.
Preferred capital stock	204	1201	Preferred capital stock.
		1202	Stock liability for conversion.
Other paid-in capital	207	1203	Premiums and assessments on capital stock.
		1204	Capital stock subscribed.
		1270	Capital surplus.
Installments received on capital stock	212	1205	Installments received on capital stock.
Discount on capital stock	213	1150	Discount on capital stock.
Capital stock expense	214	1151	Capital stock expense.
Appropriated earned surplus	215	1271	Earned surplus.
Unappropriated earned surplus	216		
Reacquired capital stock	217	1152	Reacquired securities.
6. Long-Term Debt			*8. Long-Term Debt*
Bonds	221	1152	Reacquired securities.
		1210	Bonds.
Advances from associated companies	223	1212	Advance from associated companies.
Other long-term debt	224	1211	Receiver's certificates.
		1213	Miscellaneous long-term debt.
7. Current and Accrued Liabilities			*9. Current and Accrued Liabilities*
Notes payable	231	1220	Notes and accounts payable.
Accounts payable	232		
Notes payable to associated companies	233	1223	Payables to associated companies.
Accounts payable to associated companies	234		
Customer deposits	235	1227	Customers' deposits.
Taxes accrued	236	1228	Taxes accrued.
Interest accrued	237	1229	Interest accrued.
		1224	Dividends declared.
Other current and accrued liabilities	238	1225	Matured long-term debt.
		1226	Matured interest.
		1230	Other current and accrued liabilities.
8. Deferred Credits			*10. Deferred Credits*
Unamortized premium on debt	251	1240	Unamortized premium on debt.
Customer advances for construction	252	1241	Customers' advances for construction.
Other deferred credits	253	1242	Other deferred credits.
9. Operating Reserves			*11. Reserves*
Property insurance reserve	261	1258	Miscellaneous reserves.
Injuries and damages reserve	262		
Pensions and benefits reserve	263		
Amortization reserve—Federal	264		
Miscellaneous operating reserves	265		
10. Contributions in Aid of Construction			*12. Contributions in Aid of Construction*
Contributions in aid of construction	271	1265	Contributions in aid of construction.

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Public Utilities and Licensees effective Jan. 1, 1938, with the revised system of accounts effective Jan. 1, 1961*—Continued

From the system of accounts effective Jan. 1, 1938, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1938		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
BALANCE SHEET ACCOUNTS—Continued			BALANCE SHEET ACCOUNTS—Continued
LIABILITIES AND OTHER CREDITS—con.			LIABILITIES AND OTHER CREDITS—con.
13. Accumulated Deferred Taxes on Income			*11. Accumulated Deferred Income Taxes*
Accumulated deferred taxes on income—accelerated amortization.	1266.1	281	Accumulated deferred income taxes—accelerated amortization.
Accumulated deferred taxes on income—liberalized depreciation.	1266.2	282	Accumulated deferred income taxes—liberalized depreciation.
Accumulated deferred taxes on income—other	1266.3	283	Accumulated deferred income taxes—other.
14. Surplus			
Capital surplus	1270	207	Other paid-in capital.
Earned surplus	1271	215	Appropriated earned surplus.
		216	Unappropriated earned surplus.
ELECTRIC PLANT ACCOUNTS			ELECTRIC PLANT ACCOUNTS
1. Intangible Plant			*1. Intangible Plant*
Organization	1301	301	Organization.
Franchises and consents	1302	302	Franchises and consents.
Miscellaneous intangible plant	1303	303	Miscellaneous intangible plant.
2. Production Plant			*2. Production Plant*
A. Steam Production			*A. Steam Production*
Land and land rights	1310	310	Land and land rights.
Structures and improvements	1311	311	Structures and improvements.
Boiler plant equipment	1312	312	Boiler plant equipment.
Engines and generators	1313	313	Engines and engine driven generators.
Other power plant equipment	1315	314	Turbogenerator units.
		315	Accessory electric equipment.
		316	Miscellaneous power plant equipment.
B. Hydraulic Production			*B. Hydraulic Production*
Land and land rights	1320	330	Land and land rights.
Structures and improvements	1321	331	Structures and improvements.
Reservoirs, dams, and waterways	1322	332	Reservoirs, dams and waterways.
Water wheels, turbines, and generators	1323	333	Water wheels, turbines and generators.
Other power plant equipment	1324	334	Accessory electric equipment.
		335	Miscellaneous power plant equipment.
Roads, railroads, and bridges	1326	336	Roads, railroads and bridges.
C. Internal Combustion Engine Production			*C. Other Production*
Land and land rights	1330	340	Land and land rights.
Structures and improvements	1331	341	Structures and improvements.
Fuel holders, producers, and accessories	1332	342	Fuel holders, producers and accessories.
Engines and generators	1333	343	Prime movers.
Other power plant equipment	1335	344	Generators.
		345	Accessory electric equipment.
		346	Miscellaneous power plant equipment.
3. Transmission Plant			*3. Transmission Plant*
Land and land rights	1340	350	Land and land rights.
Clearing land and rights-of-way	1341	351	Clearing land and rights of way.
Structures and improvements	1342	352	Structures and improvements.
Station equipment	1343	353	Station equipment.
Poles, towers, and fixtures	1344	354	Towers and fixtures.
		355	Poles and fixtures.
Overhead conductors and devices	1346	356	Overhead conductors and devices.
Underground conduit	1347	357	Underground conduit.
Underground conductors and devices	1348	358	Underground conductors and devices.
Roads and trails	1349	359	Roads and trails.

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1938

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1938	
Account title	No.	No.	Account title
BALANCE SHEET ACCOUNTS—Continued			BALANCE SHEET ACCOUNTS—Continued
LIABILITIES AND OTHER CREDITS—con.			LIABILITIES AND OTHER CREDITS—con.
11. Accumulated Deferred Income Taxes			*13. Accumulated Deferred Taxes on Income*
Accumulated deferred income taxes—accelerated amortization.	281	1266.1	Accumulated deferred taxes on income—accelerated amortization.
Accumulated deferred income taxes—liberalized depreciation.	282	1266.2	Accumulated deferred taxes on income—liberalized depreciation.
Accumulated deferred income taxes—other	283	1266.3	Accumulated deferred taxes on income—other.
ELECTRIC PLANT ACCOUNTS			ELECTRIC PLANT ACCOUNTS
1. Intangible Plant			*1. Intangible Plant*
Organization	301	1301	Organization.
Franchises and consents	302	1302	Franchises and consents.
Miscellaneous intangible plant	303	1303	Miscellaneous intangible plant.
2. Production Plant			*2. Production Plant*
A. Steam Production			*A. Steam Production*
Land and land rights	310	1310	Land and land rights.
Structures and improvements	311	1311	Structures and improvements.
Boiler plant equipment	312	1312	Boiler plant equipment.
Engines and engine driven generators	313	1313	Engines and generators.
Turbogenerator units	314	1315	Other power plant equipment.
Accessory electric equipment	315		
Miscellaneous power plant equipment	316		
B. Hydraulic Production			*B. Hydraulic Production*
Land and land rights	330	1320	Land and land rights.
Structures and improvements	331	1321	Structures and improvements.
Reservoirs, dams and waterways	332	1322	Reservoirs, dams and waterways.
Water wheels, turbines and generators	333	1323	Water wheels, turbines, and generators.
Accessory electric equipment	334	1324	Other power plant equipment.
Miscellaneous power plant equipment	335		
Roads, railroads, and bridges	336	1326	Roads, railroads, and bridges.
C. Other Production			*C. Internal Combustion Engine Production*
Land and land rights	340	1330	Land and land rights.
Structures and improvements	341	1331	Structures and improvements.
Fuel holders, producers and accessories	342	1332	Fuel holders, producers, and accessories.
Prime movers	343	1333	Engines and generators.
Generators	344	1335	Other power plant equipment.
Accessory electric equipment	345		
Miscellaneous power plant equipment	346		
3. Transmission Plant			*3. Transmission Plant*
Land and land rights	350	1340	Land and land rights.
Clearing land and rights-of-way	351	1341	Clearing land and rights-of-way.
Structures and improvements	352	1342	Structures and improvements.
Station equipment	353	1343	Station equipment.
Towers and fixtures	354	1344	Poles, towers, and fixtures.
Poles and fixtures	355		
Overhead conductors and devices	356	1346	Overhead conductors and devices.
Underground conduit	357	1347	Underground conduit.
Underground conductors and devices	358	1348	Underground conductors and devices.
Roads and land trails	359	1349	Roads and trails.

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Public Utilities and Licensees effective Jan. 1, 1938, with the revised system of accounts effective Jan. 1, 1961*—Continued

From the system of accounts effective Jan. 1, 1938, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1938		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
ELECTRIC PLANT ACCOUNTS—Con.			ELECTRIC PLANT ACCOUNTS—Con.
4. Distribution Plant			*4. Distribution Plant*
Land and land rights	1350	360	Land and land rights.
Structures and improvements	1351	361	Structures and improvements.
Station and storage battery equipment	1352	362	Station equipment.
		363	Storage battery equipment.
Poles, towers, and fixtures	1354	364	Poles, towers and fixtures.
Overhead conductors and devices	1355	365	Overhead conductors and devices.
Underground conduit	1356	366	Underground conduit.
Underground conductors and devices	1357	367	Underground conductors and devices.
Line transformers	1358	368	Line transformers.
Services	1359	369	Services.
Meters	1360	370	Meters.
Installations on customers' premises	1361	371	Installations on customers' premises.
Leased property on customers' premises	1362	372	Leased property on customers' premises.
Street lighting and signal systems	1363	373	Street lighting and signal systems.
5. General Plant			*5. General Plant*
Land and land rights	1370	389	Land and land rights.
Structures and improvements	1371	390	Structures and improvements.
Office furniture and equipment	1372	391	Office furniture and equipment.
Transportation equipment	1373	392	Transportation equipment.
Stores equipment	1374	393	Stores equipment.
Shop equipment	1375	394	Tools, shop and garage equipment.
Laboratory equipment	1376	395	Laboratory equipment.
Tools and work equipment	1377	394	Tools, shop and garage equipment.
Communication equipment	1378	397	Communication equipment.
Miscellaneous equipment	1379	398	Miscellaneous equipment.
Other tangible property	1390	399	Other tangible property.
Electric plant purchased	1391	102	Electric plant purchased or sold.
Electric plant sold	1392		
EARNED SURPLUS ACCOUNTS			EARNED SURPLUS
Credits:			Credits:
Earned surplus (at beginning of period)	1271	216	Unappropriated earned surplus (at beginning of period).
Credit balance transferred from income account	1400	433	Balance transferred from income.
Miscellaneous credits to surplus	1401	434	Miscellaneous credits to surplus.
Debits:			Debits:
Debit balance transferred from income account	1410	433	Balance transferred from income.
Dividend appropriations—preferred stock	1411	437	Dividends declared—preferred stock.
Dividend appropriations—common stock	1412	438	Dividends declared—common stock.
Miscellaneous reservations of surplus	1413	436	Appropriations of surplus.
Miscellaneous debits to surplus	1414	435	Miscellaneous debits to surplus.
Earned surplus (at end of period)	1271	216	Unappropriated earned surplus (at end of period).
INCOME ACCOUNTS			INCOME ACCOUNTS
1. Utility Operating Income			*1. Utility Operating Income*
Electric operating income:			
Operating revenues	1501	400	Operating revenues.
Operating revenue deductions:			Operating expenses:
Operating expenses	1502	401	Operation expense.
		402	Maintenance expense.
Depreciation	1503	403	Depreciation expense.
Amortization of limited-term electric investments.	1504	404	Amortization of limited-term electric plant.
Amortization of electric plant acquisition adjustments.	1505	406	Amortization of electric plant acquisition adjustments.
Property losses chargeable to operations	1506	407	Amortization of property losses.
Taxes	1507	408	Taxes other than income taxes.
		409	Income taxes.
Provision for deferred taxes on income	1507A	410	Provision for deferred income taxes.
Taxes on income deferred in prior years—credit.	1507B	411	Income taxes deferred in prior years—credit.
Income from electric plant leased to others	1508	412, 413	Income from electric plant leased to others.
Revenues from plant leased to others	1508.1	412	Revenues from electric plant leased to others.
Expenses of plant leased to others	1508.2	413	Expenses of electric plant leased to others.
Other utility operating income	1509	414	Other utility operating income.

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1938

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1938	
Account title	No.	No.	Account title
ELECTRIC PLANT ACCOUNTS—Con.			ELECTRIC PLANT ACCOUNTS—Con.
4. Distribution Plant			*4. Distribution Plant*
Land and land rights	360	1350	Land and land rights.
Structures and improvements	361	1351	Structures and improvements.
Station equipment	362	1352	Station and storage battery equipment.
Storage battery equipment	363		
Poles, towers and fixtures	364	1354	Poles, towers, and fixtures.
Overhead conductors and devices	365	1355	Overhead conductors and devices.
Underground conduit	366	1356	Underground conduit.
Underground conductors and devices	367	1357	Underground conductors and devices.
Line transformers	368	1358	Line transformers.
Services	369	1359	Services.
Meters	370	1360	Meters.
Installations on customers' premises	371	1361	Installations on customers' premises.
Leased property on customers' premises	372	1362	Leased property on customers' premises.
Street lighting and signal systems	373	1363	Street lighting and signal systems.
5. General Plant			*5. General Plant*
Land and land rights	389	1370	Land and land rights.
Structures and improvements	390	1371	Structures and improvements.
Office furniture and equipment	391	1372	Office furniture and equipment.
Transportation equipment	392	1373	Transportation equipment.
Stores equipment	393	1374	Stores equipment.
Tools, shop and garage equipment	394	1375	Shop equipment.
		1377	Tools and work equipment.
Laboratory equipment	395	1376	Laboratory equipment.
Power operated equipment	396	-------	New account.
Communication equipment	397	1378	Communication equipment.
Miscellaneous equipment	398	1379	Miscellaneous equipment.
Other tangible property	399	1390	Other tangible property.
In the system of accounts effective Jan. 1, 1961, the earned surplus accounts are included with the income accounts. See below.)			
INCOME ACCOUNTS			INCOME ACCOUNTS
1. Utility Operating Income			*1. Utility Operating Income*
Operating revenues	400	1501	Operating revenues.
Operating expenses:			Operating revenue deductions:
Operation expense	401	1502	Operating expenses.
Maintenance expense	402		
Depreciation expense	403	1503	Depreciation.
Amortization of limited-term electric plant	404	1504	Amortization of limited-term electric investments.
Amortization of other electric plant	405	-------	New account.
Amortization of electric plant acquisition adjustments.	406	1505	Amortization of electric plant acquisition adjustments.
Amortization of property losses	407	1506	Property losses chargeable to operations.
Taxes other than income taxes	408	1507	Taxes.
Income taxes	409		
Provision for deferred income taxes	410	1507A	Provsion for deferred taxes on income.
Income taxes deferred in prior years—credit	411	1507B	Taxes on income deferred in prior years—credit.
Income from electric plant leased to others	412, 413	1508	Income from electric plant leased to others.
Other utility operating income	414	1509	Other utility operating income.

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Public Utilities and Licensees effective Jan. 1, 1938, with the revised system of accounts effective Jan. 1, 1961*—Continued

From the system of accounts effective Jan. 1, 1938, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1938		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
INCOME ACCOUNTS—Con.			INCOME ACCOUNTS—Con.
2. Other Income			*2. Other Income*
Income from merchandising, jobbing, and contract work.	1520	415, 416	Income from merchandising, jobbing, and contract work.
Revenues from merchandising, jobbing, and contract work.	1520.1	415	Revenues from merchandising, jobbing, and contract work.
Costs and expenses of merchandising, jobbing, and contract work.	1520.2	416	Costs and expenses of merchandising, jobbing, and contract work.
Income from non-utility operations	1521	417	Income from nonutility operations.
Revenues from lease of other physical property	1522	418	Nonoperating rental income.
Dividend revenues	1523	419	Interest and dividend income.
Interest revenues	1524		
Revenues from sinking and other funds	1525		
Miscellaneous non-operating revenues	1526	421	Miscellaneous nonoperating income.
Non-operating revenue deductions	1527		Deleted.
3. Income Deductions			*3. Miscellaneous Income Deductions*
Interest on long-term debt	1530	427	Interest on long-term debt.
Amortization of debt discount and expense	1531	428	Amortization of debt discount and expense.
Amortization of premium on debt—credit	1532	429	Amortization of premium on debt—cr.
Taxes assumed on interest	1533	431	Other interest expense.
Interest on debt to associated companies	1534	430	Interest on debt to associated companies.
Other interest charges	1535	431	Other interest expense.
Interest charged to construction—credit	1536	432	Interest charged to construction—cr.
Miscellaneous amortization	1537	425	Miscellaneous amortization.
Miscellaneous income deductions	1538	426	Other income deductions.
4. Disposition of Net Income			*4. Interest Charges*
Miscellaneous reservations of net income	1540		Deleted.
OPERATING REVENUE ACCOUNTS			OPERATING REVENUE ACCOUNTS
1. Sales of Electric Energy			*1. Sales of Electricity*
Residential or domestic sales	1600	440	Residential sales.
Rural sales	1601	440	Residential sales.
		442	Commercial and industrial sales.
Commercial and industrial sales	1602	442	Commercial and industrial sales.
Public street and highway lighting	1603	444	Public street and highway lighting.
Other sales to public authorities	1604	449	Other sales.
Sales to other electric utilities	1605	447	Sales for resale.
Sales to railroads and railways	1606	449	Other sales.
Interdepartmental sales	1607	448	Interdepartmental sales.
Other sales	1608	449	Other sales.
2. Other Electric Revenues			*2. Other Operating Revenues*
Rent from electric property	1610	454	Rent from electric property.
Interdepartmental rents	1611	455	Interdepartmental rents.
Customers' forfeited discounts and penalties	1612	450	Forfeited discounts.
Sales of water and water power	1613	453	Sales of water and water power.
Servicing of customers' installations	1614	451	Miscellaneous service revenues.
Miscellaneous electric revenues	1615	456	Other electric revenues.

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1938

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1938	
Account title	No.	No.	Account title
INCOME ACCOUNTS—Con.			INCOME ACCOUNTS—Con.
2. Other Income			*2. Other Income*
Income from merchandising, jobbing, and contract work.	415, 416	1520	Income from merchandising, jobbing, and contract work.
Income from nonutility operations	417	1521	Income from non-utility operations.
Nonoperating rental income	418	1522	Revenues from lease of other physical property.
Interest and dividend income	419	1523	Dividend revenues.
		1524	Interest revenues.
		1525	Revenues from sinking and other funds.
Miscellaneous nonoperating income	421	1526	Miscellaneous non-operating revenues.
3. Miscellaneous Income Deductions			*3. Income Deductions*
Miscellaneous amortization	425	1537	Miscellaneous amortization.
Other income deductions	426	1538	Miscellaneous income deductions.
4. Interest Charges			
Interest on long-term debt	427	1530	Interest on long-term debt.
Amortization of debt discount and expense	428	1531	Amortization of debt discount and expense.
Amortization of premium on debt—cr	429	1532	Amortization of premium on debt—cr.
Interest on debt to associated companies	430	1534	Interest on debt to associated companies.
Other interest expense	431	1533	Taxes assumed on interest.
		1535	Other interest charges.
Interest charged to construction—cr	432	1536	Interest charged to construction—credit.
5. Earned Surplus			*Earned Surplus Accounts*
Unappropriated earned surplus (at beginning of period).	216	1271	Earned Surplus (at beginning of period).
Balance transferred from income	433	1400	Credit balance transferred from income account.
		1410	Debit balance transferred from income account.
Miscellaneous credits to surplus	434	1401	Miscellaneous credits to surplus.
Miscellaneous debits to surplus	435	1414	Miscellaneous debits to surplus.
Appropriations of surplus	436	1413	Miscellaneous reservations of surplus.
Dividends declared—preferred stock	437	1411	Dividend appropriations—preferred stock.
Dividends declared—common stock	438	1412	Dividend appropriations—common stock.
Unappropriated earned surplus (at end of period)	216	1271	Earned surplus (at end of period).
OPERATING REVENUE ACCOUNTS			OPERATING REVENUE ACCOUNTS
1. Sales of Electricity			*1. Sales of Electric Energy*
Residential sales	440	1600	Residential or domestic sales.
		1601	Rural sales.
Commercial and industrial sales	442	1601	Rural sales.
		1602	Commercial and industrial sales.
Public street and highway lighting	444	1603	Public street and highway lighting.
Sales for resale	447	1605	Sales to other electric utilities.
Interdepartmental sales	448	1607	Interdepartmental sales.
Other sales	449	1604	Other sales to public authorities.
		1606	Sales to railroads and railways.
		1608	Other sales.
2. Other Operating Revenues			*2. Other Electric Revenues*
Forfeited discounts	450	1612	Customers' forfeited discounts and penalties.
Miscellaneous service revenues	451	1614	Servicing of customers' installations.
Sales of water and water power	453	1613	Sales of water and water power.
Rent from electric property	454	1610	Rent from electric property.
Interdepartmental rents	455	1611	Interdepartmental rents.
Other electric revenues	456	1615	Miscellaneous electric revenues.

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Public Utilities and Licensees effective Jan. 1, 1938, with the revised system of accounts effective Jan. 1, 1961*—Continued

From the system of accounts effective Jan. 1, 1938, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1938		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
OPERATING EXPENSE ACCOUNTS			OPERATION AND MAINTENANCE EXPENSE ACCOUNTS
1. Production Expenses			*1. Power Production Expenses*
A. Electric Generation—Steam Power			*A. Steam Power Generation.*
Operation:			Operation:
Operation supervision and engineering	1701	500	Operation supervision and labor.
Station labor	1702		
Fuel	1703	501	Fuel.
Water	1704	502	Operation supplies and expenses.
Supplies and expenses	1705		
Maintenance:			Maintenance:
Maintenance supervision and engineering	1706	506	Maintenance of steam production plant.
Maintenance of structures and improvements	1707		
Maintenance of boiler plant equipment	1708		
Maintenance of generating and electric equipment.	1709		
Miscellaneous:			
Rents	1710	505	Rents.
Steam from other sources	1711	503	Steam from other sources.
Steam transferred—credit	1712	504	Steam transferred—cr.
Joint expenses—debit	1713	-------	Deleted.
Joint expenses—credit	1714	-------	Deleted.
B. Electric Generation—Hydraulic Power			*B. Hydraulic Power Generation*
Operation:			Operation:
Operation supervision and engineering	1715	530	Operation supervision and labor.
Station labor	1716		
Water for power	1717	531	Water for power.
Supplies and expenses	1718	532	Operation supplies and expenses.
Maintenance:			Maintenance:
Maintenance supervision and engineering	1719	535	Maintenance of hydraulic production plant.
Maintenance of structures and improvements	1720		
Maintenance of reservoirs, dams and waterways	1721		
Maintenance of generating and electric equipment.	1722		
Maintenance of roads, railroads and bridges	1723		
Miscellaneous:			
Rents	1724	533	Rents.
Joint expenses—debit	1725		Deleted.
Joint expenses—credit	1726		Deleted.
C. Electric Generation—Internal Combustion Engine Power			*C. Other Power Generation*
Operation:			Operation:
Operation supervision and engineering	1727	538	Operation supervision and labor.
Station labor	1728		
Engine Fuel	1729	539	Fuel.
Supplies and expenses	1730	540	Operation supplies and expenses.
Maintenance:			Maintenance:
Maintenance supervision and engineering	1731	543	Maintenance of other power production plant.
Maintenance of structures and improvements	1732		
Maintenance of fuel holders, producers, and accessories.	1733		
Maintenance of generating and electric equipment.	1734		

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1938

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1938	
Account title	No.	No.	Account title
OPERATION AND MAINTENANCE EXPENSE ACCOUNTS			OPERATING EXPENSE ACCOUNTS
1. Power Production Expenses			*1. Production Expenses*
A. Steam Power Generation			*A. Electric Generation—Steam Power.*
Operation:			Operation:
Operation supervision and labor	500	1701	Operation supervision and engineering.
		1702	Station labor.
Fuel	501	1703	Fuel.
Operation supplies and expenses	502	1704	Water.
		1705	Supplies and expenses.
Steam from other sources	503	1711	Steam from other sources.
Steam transferred—cr	504	1712	Steam transferred—credit.
Rents	505	1710	Rents.
Maintenance:			Maintenance:
Maintenance of steam production plant	506	1706	Maintenance supervision and engineering.
		1707	Maintenance of structures and improvements.
		1708	Maintenance of boiler plant equipment.
		1709	Maintenance of generating and electrical equipment.
B. Hydraulic Power Generation			*B. Electric Generation—Hydraulic Power*
Operation:			Operation:
Operation supervision and labor	530	1715	Operation supervision and engineering.
		1716	Station labor.
Water for power	531	1717	Water for power.
Operation supplies and expenses	532	1718	Supplies and expenses.
Rents	533	1724	Rents.
Maintenance:			Maintenance:
Maintenance of hydraulic production plant	535	1719	Maintenance supervision and engineering.
		1720	Maintenance of structures and improvements.
		1721	Maintenance of reservoirs, dams, and waterways.
		1722	Maintenance of generating and electrical equipment.
		1723	Maintenance of roads, railroads, and bridges.
C. Other Power Generation			*C. Electric Generation—Internal Combustion Engine Power*
Operation:			Operation:
Operation supervision and labor	538	1727	Operation supervision and engineering.
		1728	Station labor.
Fuel	539	1729	Engine fuel.
Operation supplies and expenses	540	1730	Supplies and expenses.
Rents	541	1735	Rents.
Maintenance:			Maintenance:
Maintenance of other power production plant	543	1731	Maintenance supervision and engineering.
		1732	Maintenance of structures and improvements.
		1733	Maintenance of fuel holders, producers, and accessories.
		1734	Maintenance of generating and electric equipment.

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Public Utilities and Licensees effective Jan. 1, 1938, with the revised system of accounts effective Jan. 1, 1961*—Continued

From the system of accounts effective Jan. 1, 1938, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1938		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
OPERATING EXPENSE ACCOUNTS—Con.			OPERATION AND MAINTENANCE EXPENSE ACCOUNTS—Con.
1. Production Expenses—Con.			*1. Power Production Expenses*—Con.
C. Electric Generation—Internal Combustion Engine Power—Con.			*C. Other Power Generation*—Con.
Miscellaneous:			
Rents	1735	541	Rents.
Joint expenses—debit	1736		Deleted.
Joint expenses—credit	1737		Deleted.
D. Other Production Expenses and Credits			*D. Other Power Supply Expenses*
Purchased power	1738	545	Purchased power.
Interchange power	1739		
Other expenses	1740	546	Other expenses.
Joint expenses—debit	1741		Deleted.
Joint expenses—credit	1742		Deleted.
2. Transmission Expenses			*2. Transmission Expenses*
Operation:			Operation:
System operation	1744	550	Operation supervision and labor.
		551	Operation supplies and expenses.
Maintenance:			Maintenance:
System maintenance	1748	553	Maintenance of transmission plant.
Miscellaneous:			
Rents	1753	552	Rents.
Joint expenses—debit	1754		Deleted.
Joint expenses—credit	1755		Deleted.
3. Distribution Expenses			*3. Distribution Expenses*
Operation:			Operation:
Operation supervision and office expenses	1757	560	Operation supervision expenses.
		569	Miscellaneous distribution expenses.
Operation of stations	1760	561	Line and station labor.
Operation of lines	1761	562	Line and station supplies and expenses.
		566	Meter expenses.
Services on customers' premises	1762	567	Customer installations expenses.
Operation of street lighting and signal system	1763	565	Street lighting and signal system expenses.
Maintenance:			Maintenance:
Maintenance supervision and engineering	1764	-------	To be recorded in applicable accounts below.
Maintenance of structures and station equipment	1765	571	Maintenance of structures and equipment.
Maintenance of lines	1768	572	Maintenance of lines.
Maintenance of line transformers and devices	1770	573	Maintenance of line transformers.
Maintenance of services	1771	572	Maintenance of lines.
Maintenance of meters	1772	575	Maintenance of meters.
Maintenance of installations and leased property on customers' premises	1773	576	Maintenance of miscellaneous distribution plant.
Maintenance of street lighting and signal systems	1775	574	Maintenance of street lighting and signal systems.
Miscellaneous:			
Rents	1776	570	Rents.
Joint expenses—debit	1777	-------	Deleted.
Joint expenses—credit	1778	-------	Deleted.
4. Customers' Accounting and Collecting Expenses			*4. Customer Accounts Expenses*
		901	Meter reading labor.
Meter reading, accounting, and collecting	1780	902	Accounting and collecting labor.
		903	Supplies and expenses.
Uncollectible accounts	1783	904	Uncollectible accounts.
Rents	1784	-------	Deleted.

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1938

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1938	
Account title	No.	No.	Account title
OPERATION AND MAINTENANCE EXPENSE ACCOUNTS—Con.			OPERATING EXPENSE ACCOUNTS—Con.
1. Power Production Expenses—Con.			*1. Production Expenses*—Con.
C. Other Power Generation—Con.			*C. Electric Generation—Internal Combustion Engine Power*—Con.
D. Other Power Supply Expenses			*D. Other Production Expenses and Credits*
Purchased power	545	1738	Purchased power.
		1739	Interchange power.
Other expenses	546	1740	Other expenses.
2. Transmission Expenses			*2. Transmission Expenses*
Operation:			Operation:
Operation supervision and labor	550	1744	System operation.
Operation supplies and expenses	551		
Rents	522	1753	Rents.
Maintenance:			Maintenance:
Maintenance of transmission plant	553	1748	System maintenance.
3. Distribution Expenses			*3. Distribution Expenses*
Operation:			Operation:
Operation supervision expenses	560	1757	Operation supervision and office expenses.
Line and station labor	561	1760	Operation of stations.
Line and station supplies and expenses	562	1761	Operation of lines.
Street lighting and signal system expenses	565	1763	Operation of street lighting and signal system.
Meter expenses	566	1762	Services on customers' premises.
Customer installations expenses	567		
Miscellaneous distribution expenses	569	1757	Operation supervision and office expenses.
Rents	570	1776	Rents.
Maintenance:			Maintenance:
Maintenance of structures and equipment	571	1765	Maintenance of structures and station equipment.
Maintenance of lines	572	1768	Maintenance of lines.
		1771	Maintenance of services.
Maintenance of line transformers	573	1770	Maintenance of line transformers and devices.
Maintenance of street lighting and signal systems.	574	1775	Maintenance of street lighting and signal systems.
Maintenance of meters	575	1772	Maintenance of meters.
Maintenance of miscellaneous distribution plant.	576	1773	Maintenance of installations and leased property on customers' premises.
4. Customer Accounts Expenses			*4. Customers' Accounting and Collecting Expenses*
Meter reading labor	901	1780	Meter reading, accounting, and collecting.
Accounting and collecting labor	902		
Supplies and expenses	903		
Uncollectible accounts	904	1783	Uncollectible accounts.

APPENDIX A—*Comparison of the uniform system of accounts prescribed for Public Utilities and Licensees effective Jan. 1, 1938, with the revised system of accounts effective Jan. 1, 1961*—Continued

From the system of accounts effective Jan. 1, 1938, to the system of accounts effective Jan. 1, 1961

System of accounts effective Jan. 1, 1938		System of accounts effective Jan. 1, 1961	
Account title	No.	No.	Account title
OPERATING EXPENSE ACCOUNTS—Con.			OPERATION AND MAINTENANCE EXPENSE ACCOUNTS—Con.
5. Sales Promotion Expenses			*5. Sales Expenses*
Sales expenses	1786	910	Sales expenses.
Rents	1788	-------	Deleted.
Merchandising, jobbing, and contract work	1789	914	Revenues from merchandising, jobbing and contract work.
		915	Costs and expenses of merchandising, jobbing and contract work.
6. Administrative and General Expenses			*6. Administrative and General Expenses*
Operation:			Operation:
General office salaries	1790	920	Administrative and general salaries.
General office and miscellaneous expenses	1793	921	Office supplies and expenses.
Management and supervision fees and expenses	1794	923	Outside services employed.
Legal services	1796		
Regulatory commission expenses	1797	928	Regulatory commission expenses.
Insurance	1798	924	Property insurance.
Injuries and damages	1799	925	Injuries and damages.
Other general expenses	1800	926	Employee pensions and benefits.
		930	Miscellaneous general expenses.
Maintenance of general property	1802	935	Maintenance of general plant.
General rents	1803	931	Rents.
Franchise requirements	1805	927	Franchise requirements.
Duplicate miscellaneous charges—credit	1806	929	Duplicate charges—credit.
Administrative and general expenses transferred—credit.	1807	922	Administrative expenses transferred—credit.
Joint expenses—debit	1808	-------	Deleted.
Joint expenses—credit	1809	-------	Deleted.
CLEARING ACCOUNTS			
Charges by associated companies—clearing	1901	-------	Deleted. See Account 183.
Stores expenses—clearing	1902	-------	Deleted. See Account 183.
Transportation expenses—clearing	1903	933	Transportation expenses. (May be used as a clearing account.)

From the system of accounts effective Jan. 1, 1961, to the system of accounts effective Jan. 1, 1938

System of accounts effective Jan. 1, 1961		System of accounts effective Jan. 1, 1938	
Account title	No.	No.	Account title
OPERATION AND MAINTENANCE EXPENSE ACCOUNTS—Con.			OPERATING EXPENSE ACCOUNTS—Con.
5. Sales Expenses			*5. Sales Promotion Expenses*
Sales expenses	910	1786	Sales expenses.
Revenues from merchandising, jobbing and contract work.	914	1789	Merchandising, jobbing, and contract work.
Costs and expenses of merchandising, jobbing and contract work.	915		
6. Administrative and General Expenses			*6. Administrative and General Expenses*
Operation:			Operation:
Administrative and general salaries	920	1790	General office salaries.
Office supplies and expenses	921	1793	General office and miscellaneous expenses.
Administrative expenses transferred—credit	922	1807	Administrative and general expenses transferred—credit.
Outside services employed	923	1794	Management and supervision fees and expenses.
		1796	Legal services.
Property insurance	924	1798	Insurance.
Injuries and damages	925	1799	Injuries and damages.
Employee pensions and benefits	926	1800	Other general expenses.
Franchise requirements	927	1805	Franchise requirements.
Regulatory commission expenses	928	1797	Regulatory commission expenses.
Duplicate charges—credit	929	1806	Duplicate miscellaneous charges—credit.
Miscellaneous general expenses	930	1800	Other general expenses.
Rents	931	1803	General rents.
Transportation expenses	933	1903	Transportation expenses—clearing.
Maintenance of general plant	935	1802	Maintenance of general property.

APPENDIX B—UNIFORM SYSTEM OF ACCOUNTS PRESCRIBED FOR PUBLIC UTILITIES AND LICENSEES SUBJECT TO THE PROVISIONS OF THE FEDERAL POWER ACT (CLASS C)

Definitions

When used in this system of accounts:

1. "Accounts" means the accounts prescribed in this system of accounts.

2. "Actually issued," as applied to securities issued or assumed by the utility, means those which have been sold to bona fide purchasers for a valuable consideration, those issued as dividends on stock, and those which have been issued in accordance with contractual requirements direct to trustees of sinking funds.

3. "Actually outstanding," as applied to securities issued or assumed by the utility, means those which have been actually issued and are neither retired nor held by or for the utility; provided, however, that securities held by trustees shall be considered as actually outstanding.

4. "Amortization" means the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

5. A. "Associated companies" means companies or persons that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting company.

B. "Control" (including the terms "controlling," "controlled by," and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, associated companies, contract or any other direct or indirect means.

6. "Book cost" means the amount at which property is recorded in these accounts without deduction of related provisions for accrued depreciation, amortization, or for other purposes.

7. "Commission" means the Federal Power Commission.

8. "Cost" means the amount of money actually paid for property or services. When the consideration given is other than cash in a purchase and sale transaction, as distinguished from a transaction involving the issuance of common stock in a merger or a pooling of interest, the value of such consideration shall be determined on a cash basis.

9. "Cost of removal" means the cost of demolishing, dismantling, tearing down or otherwise removing electric plant, including the cost of transportation and handling incidental thereto.

10. "Debt expense" means all expenses in connection with the issuance and initial sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds and certificates of indebtedness; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

11. "Depreciation," as applied to depreciable electric plant, means the loss in service value not restored by current maintenance incurred in connection with the consumption or prospective retirement of electric plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities.

12. "Discount" as applied to the securities issued or assumed by the utility, means the excess of the par (stated value of no-par stocks) or face value of the securities plus interest or dividends accrued at the date of the sale over the cash value of the consideration received from their sale.

13. "Investment advances" means advances, represented by notes or book accounts only, with respect to which it is mutually agreed or intended between the creditor and debtor that they shall be settled by the issuance of securities or shall not be subject to current settlement.

14. "Licensee" means any person, or State, licensed under the provisions of the Federal Power Act and subject to the Commission's accounting requirements under the terms of the license.

15. "Minor items of property" means the associated parts or items of which retirement units are composed.

16. "Net salvage value" means the salvage value of property retired less the cost of removal.

17. "Nominally issued," as applied to securities issued or assumed by the utility, means those which have been signed, certified, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the utility, but which have not been sold, or issued direct to trustees of sinking funds in accordance with contractual requirements.

18. "Nominally outstanding," as applied to securities issued or assumed by the utility, means those which, after being actually issued, have been reacquired by or for the utility under circumstances which require them to be considered as held alive and not retired, provided, however, that securities held by trustees shall be considered as actually outstanding.

19. "Nonproject property" means the electric plant of a licensee which is not a part of the project property subject to a license issued by the Commission.

20. "Original cost," as applied to electric plant, means the cost of such property to the person first devoting it to public service.

21. "Person" means an individual, a corporation, a partnership, an association, a joint stock company, a business trust, or any organized group of persons, whether incorporated or not, or any receiver or trustee.

22. "Premium," as applied to securities issued or assumed by the utility, means the excess of the cash value of the consideration received from their sale over the sum of their par (stated value of no-par stocks) or face value and interest or dividends accrued at the date of sale.

23. "Project" means complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or forebay reservoirs directly connected therewith, the primary line or lines transmitting power therefrom to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights of way, ditches, dams, reservoirs, lands, or interest in lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit.

24. "Project property" means the property described in and subject to a license issued by the Commission.

25. "Property retired," as applied to electric plant, means property which has been removed, sold, abandoned, destroyed, or which for any cause has been withdrawn from service.

26. "Public utility" means any person who owns or operates facilities subject to the jurisdiction of the Commission under the Federal Power Act. (See section 201(e) of said act.)

27. "Replacing" or "replacement," when not otherwise indicated in the context, means the construction or installation of electric plant in place of property retired, together with the removal of the property retired.

28. "Retirement units" means those items of electric plant which, when retired, with or without replacement, are accounted for by crediting the book cost thereof to the electric plant account in which included.

29. "Salvage value" means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale; or, if retained, the amount at which the material recoverable is chargeable to materials and supplies, or other appropriate account.

30. "Service life" means the time between the date electric plant is includible in electric plant in service, or electric plant leased to others, and the date of its retirement. If depreciation is accounted for on a production basis rather than on a time basis, then service life should be measured in terms of the appropriate unit of production.

31. "Service value" means the difference between original cost and net salvage value of electric plant.

32. "State" means a State admitted to the Union, the District of Columbia, and any organized Territory of the United States.

33. "Utility," as used herein and when not otherwise indicated in the context, means any public utility or licensee to which this system of accounts is applicable.

General Instructions

1. *Classification of Utilities.*

A. For the purpose of applying systems of accounts prescribed by the Commission, electric utilities and licensees are divided into four classes, as follows:

Class A. Utilities having annual electric operating revenues of $2,500,000 or more.

Class B. Utilities having annual electric operating revenues of $1,000,000 or more but less than $2,500,000.

Class C. Utilities having annual electric operating revenues of $150,000 or more but less than $1,000,000.

Class D. Utilities having annual electric operating revenues of $25,000 or more but less than $150,000.

B. This system of accounts applies to Class C utilities. Those applicable to Classes A and B and to Class D utilities are issued separately.

C. The class to which any utility belongs shall originally be determined by the average of its annual electric operating revenues for the last three consecutive years. Subsequent changes in classification shall be made when the annual electric operating revenues for each of the three immediately preceding years shall exceed the upper limit, or be less than the lower limit, of the annual electric operating revenues of the classification previously applicable to the utility.

D. Any utility may, at its option, adopt the system of accounts prescribed by the Commission for any larger class of utilities.

2. *Records.*

A. Each utility shall keep its books of account, and all other books, records, and memoranda which support the entries in such books of account so as to be able to furnish readily full information as to any item included in any account. Each entry shall be supported by such detailed information as will permit ready identification, analysis, and verification of all facts relevant thereto.

B. The books and records referred to herein include not only accounting records in a limited technical sense, but all other records, such as minute books, stock books, reports, correspondence, memoranda, etc., which may be useful in developing the history of or facts regarding any transaction.

C. No utility shall destroy any such books or records unless the destruction thereof is permitted by rules and regulations of the Commission.

D. In addition to prescribed accounts, clearing accounts, temporary or experimental accounts, and subdivisions of any account, may be kept, provided the integrity of the prescribed accounts is not impaired.

E. All amounts included in the accounts prescribed herein for electric plant and operating expenses shall be just and reasonable and any payments or accruals by the utility in excess of just and reasonable charges shall be included in account 426, Other Income Deductions.

F. The arrangement or sequence of the accounts prescribed herein shall not be controlling as to the arrangement or sequence in report forms which may be prescribed by the Commission.

3. *Numbering System.*

A. The account numbering plan used herein consists of a system of three-digit whole numbers as follows:

100–199	Assets and other debits.
200–299	Liabilities and other credits.
300–399	Plant accounts.
400–439	Income accounts.
440–459	Revenue accounts.
500–599	Production, transmission and distribution expenses.
900–949	Customer accounts, sales and general administrative expenses.

B. In certain instances, numbers have been skipped in order to allow for possible later expansion or to permit better coordination with the number system for other utility departments.

C. The numbers prefixed to account titles are to be considered as parts of the titles. Each utility, however, may adopt for its own purposes a different system of account numbers (see also general instruction 2D) provided that the numbers herein prescribed shall appear in the descriptive headings of the ledger accounts and in the various sources of original entry; however, if a utility uses a different group of account numbers and it is not practicable to show the prescribed account numbers in the various sources of original entry, such reference to the prescribed account numbers may be omitted from the various sources of original entry. Moreover, each utility using different account numbers for its own purposes shall keep readily available a list of such account numbers which it uses and a reconciliation of such account numbers with the account numbers provided herein. It is intended that the utility's records shall be so kept as to permit ready analysis by prescribed accounts (by direct reference to sources of original entry to the extent practicable) and to permit preparation of financial and operating statements directly from such records at the end of each accounting period according to the prescribed accounts.

4. *Accounting Period.*

Each utility in Class C shall keep its books on a monthly basis so that for each accounting period all transactions applicable thereto, as nearly as may be ascertained, shall be entered in the books of the utility. Each utility shall close its books at the end of each calendar year unless otherwise authorized by the Commission.

5. *Submittal of Questions.*

To maintain uniformity of accounting, utilities shall submt questions of doubtful interpretation to the Commission for consideration and decision.

6. *Item Lists.*

Lists of "items" appearing in the texts of the accounts or elsewhere herein are for the purpose of more clearly indicating the application of the prescribed accounting. The lists are intended to be representative, but not exhaustive. The appearance of an item in a list warrants the inclusion of the item in the account mentioned only when the text of the account also indicates inclusion inasmuch as the same item frequently appears in more than one list. The proper entry in each instance must be determined by the texts of the accounts.

7. *Accounting to be on Accrual Basis.*

A. The utility is required to keep its accounts on the accrual basis. This requires the inclusion in its accounts of all known transactions of appreciable amount which affect the accounts. If bills covering such transactions have not been received or rendered, the amounts shall be estimated and appropriate adjustments made when the bills are received.

B. When payments are made in advance for items such as insurance, rents, taxes, or interest, the amount applicable to future periods shall be charged to account 165, Prepayments, and spread over the periods to which applicable by credits to account 165, and charges to the accounts appropriate for the expenditure.

8. *Distribution of Pay and Expenses of Employees.*

The charges to electric plant, operating expense, and other accounts for services and expenses of employees engaged in activities chargeable to various accounts, such as construction, maintenance, and operations, shall be based upon the actual time engaged in the respective classes of work, or in case that method is impracticable, upon the basis of a study of the time actually engaged during a representative period.

9. *Payroll Distribution.*

Underlying accounting data shall be maintained so that the distribution of the cost of labor charged direct to the various accounts will be readily available. Such underlying data shall permit a reasonably accurate distribution to be made of the cost of labor charged initially to clearing accounts so that the total labor cost may be classified among construction, cost of removal, electric operating functions (steam generation, hydraulic generation, transmission, distribution, etc.) and nonutility operations.

10. *Operating Reserves.*

Accretions to operating reserve accounts made by charges to operating expenses shall not exceed a reasonable provision for the expense. Material balances in such reserve accounts shall not be diverted from the purpose for which provided unless the permission of the Commission is first obtained.

11. *Accounting for Other Departments.*

If the utility also operates other utility departments, such as gas, water, etc., it shall keep such accounts for the other departments as may be prescribed by proper authority and in the absence of prescribed accounts, it shall keep such accounts as are proper or necessary to reflect the results of operating each such department. It is not intended that pro-

prietary and similar accounts which apply to the utility as a whole shall be departmentalized.

12. *Separate Accounts or Records for Each Licensed Project.*

The accounts or records of each licensee shall be so kept as to show for each project under license:

(a) The actual legitimate original cost of the project, including the original cost (or fair value as determined under section 23 of the Federal Power Act) of the original project, the original cost of additions thereto and betterments thereof, credits for property retired from service, and credits for related contributions in aid of construction, as determined under the Commission's regulations.

(b) The charges for operation and maintenance of the project property directly assignable to the project;

(c) The credits and debits to the depreciation reserve account, and the balance in such account;

(d) The credits and debits to operating revenue, income, and surplus accounts that can be identified with and directly assigned to the project.

NOTE: The purpose of this instruction is to insure that accounts or records are currently maintained by each licensee from which reports may be made to the Commission for use in determining the net investment in each licensed project. The instruction covers only the debit and credit items appearing in the licensee's accounts which may be identified with and assigned directly to any licensed project. In the determination of the net investment as defined in section 3 of the Federal Power Act, allocations of items affecting the net investment may be required where direct assignment is not practicable.

Electric Plant Instructions

1. *Electric Plant To Be Recorded at Cost.*

A. All amounts included in the accounts for electric plant acquired as an operating unit or system, except as otherwise provided in the texts of the intangible plant accounts, shall be stated at the cost incurred by the person who first devoted the property to utility service. All other electric plant shall be included in the accounts at the cost incurred by the utility. Where the term "cost" is used in the detailed plant accounts, it shall have the meaning stated in this paragraph.

B. When the consideration given for property is other than cash, the value of such consideration shall be determined on a cash basis. (See, however, definition 8). In the entry recording such transaction, the actual consideration shall be described with sufficient particularity to identify it. The utility shall be prepared to furnish the Commission the particulars of its determination of the cash value of the consideration if other than cash.

C. When property is purchased under a plan involving deferred payments, no charge shall be made to the electric plant accounts for interest, insurance, or other expenditures occasioned solely by such form of payment.

D. Electric plant contributed to the utility or constructed by it from contributions to it of cash or its equivalent shall be charged to the electric plant accounts at cost of construction, estimated if not known. There shall be credited to the accounts for accumulated depreciation and amortization the estimated amount of depreciation and amortization applicable to the property at the time of its contribution to the utility. The difference between the amounts included in the electric plant accounts and the accumulated depreciation and amortization shall be credited to account 271, Contributions in Aid of Construction.

2. *Components of Construction Cost.*

The cost of construction of property chargeable to the electric plant accounts shall include, where applicable, the cost of labor, materials and supplies, transportation, work done by others for the utility, injuries and damages incurred in construction work, privileges and permits, special machine service, interest during construction and such portion of general engineering, administrative salaries and expenses, insurance, taxes and other analogous items as may be properly includible in construction costs.

3. *Overhead Construction Costs.*

A. All overhead construction costs, such as engineering, supervision, general office salaries and expenses, construction engineering and supervision by others than the accounting utility, law expense, insurance, injuries and damages, relief and pensions, taxes and interest, shall be charged to particular jobs or units on the basis of the amounts of such overheads reasonably applicable thereto, to the end that each job or unit shall bear its equitable proportion of such costs and that the entire cost of the unit, both direct and overhead, shall be deducted from the plant accounts at the time the property is retired.

B As far as practicable, the determination of payroll charges includible in construction overheads shall be based on time card distributions thereof. Where this procedure is impractical, special studies shall be made periodically of the time of supervisory employees devoted to construction activities to the end that only such overhead costs as have a definite relation to construction shall be capitalized. The addition to direct construction costs of arbitrary percentages or amounts to cover assumed overhead costs is not permitted.

4. *Electric Plant Purchased or Sold.*

A. When utility plant constituting an operating unit or system is acquired by purchase, merger, consolidation, liquidation, or otherwise, after the effective date of this system of accounts, the costs of acquisition, including expenses incidental thereto properly includible in utility plant, shall be charged to account 102, Electric Plant Purchased or Sold.

B. The accounting for the acquisition shall then be completed as follows:

(1) The original cost of plant, estimated if not known, shall be credited to account 102, Electric Plant Purchased or Sold, and concurrently charged to the appropriate utility plant in service accounts and to account 104, Electric Plant Leased to Others, account 105, Electric Plant Held for Future Use, and account 107, Construction Work in Progress—Electric, as appropriate.

(2) The depreciation and amortization applicable to the original cost of the properties purchased, shall be charged to account 102, Electric Plant Purchased or Sold, and concurrently credited to the appropriate account for accumulated provision for depreciation or amortization.

(3) The cost to the utility of any property includible in account 121, Nonutility Property, shall be transferred thereto.

(4) The amount of contributions in aid of construction applicable to the property acquired, shall be charged to account 102, Electric Plant Purchased or Sold, and concurrently credited to account 271, Contributions in Aid of Construction, unless otherwise authorized by the Commission.

(5) The amount remaining in account 102, Electric Plant Purchased or Sold, shall then be closed to account 114, Electric Plant Acquisition Adjustments.

C. If property acquired in the purchase of an operating unit or system is in such physical condition when acquired that it is necessary substantially to rehabilitate it in order to bring the property up to the standards of the utility, the cost of such work, except replacements, shall be accounted for as a part of the purchase price of the property.

D. When any property acquired as an operating unit or system includes duplicate or other plant which will be retired by the accounting utility in the reconstruction of the acquired property or its consolidation with previously owned property, the proposed accounting for such property shall be presented to the Commission.

E. In connection with the acquisition of electric plant constituting an operating unit or system, the utility shall procure, if possible, all existing records relating to the property acquired, or certified copies thereof, and shall preserve such records in conformity with regulations or practices governing the preservation of records of its own construction.

F. When electric plant constituting an operating unit or system is sold, conveyed, or transferred to another by sale, merger, consolidation, or otherwise, the book cost of the property sold or transferred to another shall be credited to the appropriate electric plant accounts, including amounts carried in account 114, Electric Plant Acquisition Adjustments, and the amounts (estimated if not known) carried with respect thereto in the accounts for accumulated provision for depreciation and amortization and in account 252, Customer Advances for Construction, and account 271, Contributions in Aid of Construction, shall be charged to such accounts and the contra entries made to account 102, Electric Plant Purchased or Sold. Unless otherwise ordered by the Commission, the difference, if any, between (a) the net amount of debits and credits and (b) the consideration received for the property (less commissions and other expenses of making the sale), shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous

Debits to Surplus. (See account 102, Electric Plant Purchased or Sold.)

NOTE: In cases where existing utilities merge or consolidate because of financial or operating reasons or statutory requirements rather than as a means of transferring title of purchased properties to a new owner, the accounts of the constituent utilities, with the approval of the Commission, may be combined. In the event original cost has not been determined, the resulting utility shall proceed to determine such cost as outlined herein.

5. *Expenditures on Leased Property.*

A. The cost of substantial initial improvements (including repairs, rearrangements, additions and betterments) made in the course of preparing for utility service property leased for a period of more than one year, and the cost of subsequent substantial additions, replacements, or betterments to such property, shall be charged to the electric plant account appropriate for the class of property leased. If the service life of the improvements is terminable by action of the lease, the cost, less net salvage, of the improvements shall be spread over the life of the lease by charges to account 404, Amortization of Limited-Term Electric Plant. However, if the service life is not terminated by action of the lease but by depreciation proper, the cost of the improvements, less net salvage, shall be accounted for as depreciable plant.

B. If improvements made to property leased for a period of more than one year are of relatively minor cost, or if the lease is for a period of not more than one year, the cost of the improvements shall be charged to the account in which the rent is included, either directly or by amortization thereof.

6. *Land and Land Rights.*

A. The accounts for land and land rights shall include the cost of land owned in fee by the utility and rights, interests, and privileges held by the utility in land owned by others, such as leaseholds, easements, water and water power rights, diversion rights, submersion rights, rights of way, and other like interests in land.

B. Where special assessments for public improvements provide for deferred payments, the full amount of the assessments shall be charged to the appropriate land account and the unpaid balance shall be carried in an appropriate liability account. Interest on unpaid balances shall be charged to the appropriate interest account. If any part of the cost of public improvements is included in the general tax levy, the amount thereof shall be charged to the appropriate tax account.

C. The net profit from the sale of timber, cord wood, or other property acquired with rights of way or other lands shall be credited to the appropriate land and land rights or clearing land account. Where land is held for a considerable period of time and timber on the land at the time of purchase increases in value, the net profit (after giving effect to the cost of the timber) from the sales of timber or its products shall be credited to account 421, Miscellaneous Nonoperating Income.

D. Separate entries shall be made for the acquisition, transfer or retirement of each parcel of land, and each land right (except rights of way for distribution lines), or water right having a life of more than one year. A record shall be maintained showing the nature of ownership, full legal description, area, map reference, purpose for which used, city, county, and tax district in which situated, from whom purchased or to whom sold, payment given or received, other costs, contract date and number, date of recording of deed, and book and page of record. Entries transferring or retiring land or land rights shall refer to the original entry recording its acquisition.

E. Any difference between the amount received from the sale of land or land rights, less agents' commissions and other costs incident to the sale, and the book cost of such land or rights, shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, as appropriate, unless a reserve therefore has been authorized and provided. Appropriate adjustments of the accounts shall be made with respect to any structures or improvements located on land sold.

F. The cost of buildings and other improvements (other than public improvements) shall not be included in the land accounts. If at the time of acquisition of an interest in land such interest extends to buildings or other improvements (other than public improvements), which are then devoted to utility operations, the land and improvements shall be separately appraised and the cost allocated to land and buildings or improvements on the basis of the appraisals. If the improvements are removed or wrecked without being used in operations, the cost of removing or wrecking shall be charged and the salvage credited to the account in which the cost of the land is recorded.

G. When the purchase of land for electric operations requires the purchase of more land than needed for such purposes, the charge to the specific land account shall be based upon the cost of the land purchased, less the fair market value of that portion of the land which is not to be used in utility operations. The portion of the cost measured by the fair market value of the land not to be used shall be included in account 105, Electric Plant Held for Future Use, or account 121, Nonutility Property, as appropriate.

H. Provision shall be made for amortizing amounts carried in the accounts for limited-term interests in land so as to apportion equitably the cost of each interest over the life thereof. (See account 404, Amortization of Limited-Term Electric Plant.)

I. The items of cost to be included in the accounts for land and land rights are as follows:

1. Bulkheads, buried, not requiring maintenance or replacement.
2. Cost, first, of acquisition including mortgages and other liens assumed (but not subsequent interest thereon).
3. Clearing (first cost) the land of brush, trees, and debris, except in the case of account 332, Reservoirs, Dams and Waterways, and account 351 (Transmission Plant), Clearing Land and Rights of Way.
4. Condemnation proceedings, including court and counsel costs.
5. Consents and abutting damages, payment for.
6. Conveyancers' and notaries' fees.
7. Fees, commissions, and salaries to brokers, agents and others in connection with the acquisition of the land or land rights.
8. Grading the land, except when directly occasioned by the building of a structure.
9. Leases, cost of voiding upon purchase to secure possession of land.
10. Removing, relocating, or reconstructing property of others, such as buildings, highways, railroads, bridges, cemeteries, churches, telephone and power lines, etc., in order to acquire quiet possession.
11. Retaining walls unless identified with structures.
12. Special assessments levied by public authorities for public improvements on the basis of benefits for new roads, new bridges, new sewers, new curbing, new pavements, and other public improvements, but not taxes levied to provide for the maintenance of such improvements.
13. Surveys in connection with the acquisition, but not amounts paid for topographical surveys and maps where such costs are attributable to structures or plant equipment erected or to be erected or installed on such land.
14. Taxes assumed, accrued to date of transfer of title.
15. Title, examining, clearing, insuring and registering in connection with the acquisition and defending against claims relating to the period prior to the acquisition.
16. Appraisals prior to closing title.
17. Cost of dealing with distributees or legatees residing outside of the state or county, such as recording power of attorney, recording will or exemplification of will, recording satisfaction of state tax.
18. Filing satisfaction of mortgage.
19. Documentary stamps.
20. Photographs of property at acquisition.
21. Fees and expenses incurred in the acquisition of water rights and grants.
22. Cost of fill to extend bulkhead line over land under water, where riparian rights are held, which is not occasioned by the erection of a structure.
23. Sidewalks and curbs constructed by the utility on public property.
24. Labor and expenses in connection with securing right of way, where performed by company employees and company agents.

7. *Structures and Improvements.*

A. The accounts for structures and improvements shall include the cost of all buildings and facilities to house, support, or safeguard property or persons, including all fixtures permanently attached to and made a part of buildings and which cannot be removed therefrom without cutting into the walls, ceilings, or floors, or without in some way impairing the buildings, and improvements of a permanent character on or to land.

B. The cost of specially provided foundations not intended to outlast the machinery or apparatus for which provided, and the cost of angle irons, castings, etc., installed at the base of any item of equipment, shall be charged to the same account as the cost of the machinery, apparatus, or equipment.

C. Minor buildings and structures, such as valve towers, patrolmen's towers, telephone stations, etc., which are used directly in connection with or form a part of a reservoir dam, waterway, etc., shall be considered a part of the facility

in connection with which constructed or operated and the cost thereof accounted for accordingly.

D. Where furnaces and boilers are used primarily for furnishing steam for some particular department and only incidentally for furnishing steam for heating a building and operating the equipment therein, the entire cost of such furnaces and boilers shall be charged to the appropriate plant account, and no part to the building account.

E. Where the structure of a dam forms also the foundation of the power plant building, such foundation shall be considered a part of the dam.

F. The cost of disposing of materials excavated in connection with construction of structures shall be considered as a part of the cost of such work, except as follows: (a) When such material is used for filling, the cost of loading, hauling, and dumping shall be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used; (b) When such material is sold, the net amount realized from such sales shall be credited to the work in connection with which the removal occurs. If the amount realized from the sale of excavated materials exceeds the removal costs and the costs in connection with the sale, the excess shall be credited to the land account in which the site is carried.

G. Lighting or other fixtures temporarily attached to buildings for purposes of display or demonstration shall not be included in the cost of the building but in the appropriate equipment account.

H. The items of cost to be included in the accounts for structures and improvements are as follows:

1. Architects' plans and specifications including supervision.
2. Athletic field structures and improvements.
3. Boilers, furnaces, piping, wiring fixtures, and machinery for heating, lighting, signaling, ventilating, and air conditioning systems, plumbing, vacuum cleaning systems, incinerator and smoke pipe, flues, etc.
4. Bulkheads, including dredging, riprap fill, piling, decking, concrete, fenders, etc., when exposed and subject to maintenance and replacement.
5. Coal bins and bunkers.
6. Commissions and fees to brokers, agents, architects and others.
7. Conduit (not to be removed) with its contents.
8. Damages to abutting property during construction.
9. Drainage and sewerage systems.
10. Elevators, cranes, hoists, etc., and the machinery for operating them.
11. Excavation, including shoring, bracing, bridging, refill, and disposal of excess excavated material, cofferdams around foundation, pumping water from cofferdam during construction, test borings.
12. Fences and fence curbs (not including protective fences isolating items of equipment, which shall be charged to the appropriate equipment account).
13. Fire protection systems when forming a part of a structure.
14. Foundations and piers for machinery, constructed as a permanent part of a building or other item listed herein.
15. Grading and clearing when directly occasioned by the building of a structure.
16. Intrasite communication system, poles, pole fixtures, wires and cables.
17. Landscaping, lawns, shrubbery, etc.
18. Leases, voiding upon purchase to secure possession of structures.
19. Leased property, expenditures on.
20. Lighting fixtures and outside lighting system.
21. Painting, first cost.
22. Permanent paving, concrete, brick, flagstone, asphalt, etc., within the property lines.
23. Permits and privileges.
24. Platforms, railings and gratings when constructed as a part of a structure.
25. Retaining walls except when identified with land.
26. Roadways, railroads, bridges, and trestles intrasite, except railroads provided for in equipment accounts.
27. Sidewalks, culverts, curbs and streets constructed by the utility on its property.
28. Stacks—brick, steel, or concrete, when set on foundation forming part of general foundation and steel work of a building.
29. Storage facilities constituting a part of a building.
30. Subways, areaways, and tunnels, directly connected to and forming part of a structure.
31. Tanks, constructed as part of a building or as a distinct structural unit.
32. Temporary shanties and other facilities used during construction (net cost).
33. Tunnels, intake and discharge, when constructed as part of a structure, including sluice gates, and those constructed to house mains.
34. Vaults constructed as part of a building.
35. Water basins or reservoirs.
36. Wharves.

NOTE: Structures and Improvements accounts shall be credited with the cost of coal bunkers, stacks, foundations, subways, tunnels, etc., the use of which has terminated with the removal of the equipment with which they are associated even though they have not been physically removed.

8. *Equipment.*

A. The cost of equipment chargeable to the electric plant accounts, unless otherwise indicated in the text of an equipment account, includes the net purchase price thereof, sales taxes, investigation and inspection expenses necessary to such purchase, expenses of transportation when borne by the utility, labor employed, materials and supplies consumed, and expenses incurred by the utility in unloading and placing the equipment in readiness to operate.

B. Exclude from equipment accounts hand and other portable tools, which are likely to be lost or stolen or which have relatively small value (for example, $50 or less) or short life, unless the correctness of the accounting therefor as electric plant is verified by current inventories. Special tools acquired and included in the purchase price of equipment shall be included in the appropriate plant account. Portable drills and similar tool equipment when used in connection with the operation and maintenance of a particular plant or department, such as production, transmission, distribution, etc., or in "stores," shall be charged to the plant account appropriate for their use.

C. The equipment accounts shall include angle irons and similar items which are installed at the base of an item of equipment, but piers and foundations which are designed to be as permanent as the buildings which house the equipment or which are constructed as a part of the building and which cannot be removed without cutting into the walls, ceilings or floors or without in some way impairing the building, shall be included in the building accounts.

D. The equipment accounts shall include the necessary costs of testing or running a plant or part thereof during an experimental or test period prior to becoming available for service. The utility shall furnish the Commission with full particulars of and justification for any test or experimental run extending beyond a period of thirty days.

E. The cost of efficiency or other tests made subsequent to the date equipment becomes available for service shall be charged to the appropriate expense accounts, except that tests to determine whether equipment meets the specifications and requirements as to efficiency, performance, etc., guaranteed by manufacturers, made after operations have commenced and within the period specified in the agreement or contract of purchase, may be charged to the appropriate electric plant account.

9. *Additions and Retirements of Electric Plant.*

A. For the purpose of avoiding undue refinement in accounting for additions to and retirements and replacements of utility plant, all property shall be considered as consisting of (1) retirement units and (2) minor items of property. Each utility shall use such list of retirement units as is in use by it at the effective date hereof or as may be prescribed by the Commission, with the option, however, of using smaller units, provided the utility's practice in this respect is consistent.

B. The addition and retirement of retirement units shall be accounted for as follows:

(1) When a retirement unit is added to electric plant, the cost thereof shall be added to the appropriate electric plant account, except that when units are acquired in the acquisition of any electric plant constituting an operating system, they shall be accounted for as provided in electric plant instruction 4.

(2) When a retirement unit is retired from electric plant, with or without replacement, the book cost thereof shall be credited to the electric plant account in which it is included, determined in the manner set forth in paragraph D, below. If the retirement unit is of a depreciable class the book cost of the unit retired and credited to electric plant shall be charged to the accumulated provision for depreciation applicable to such property. The cost of removal and the salvage shall be charged or credited, as appropriate, to such depreciation account.

C. The addition and retirement of minor items of property shall be accounted for as follows:

(1) When a minor item of property which did not previously exist is added to plant, the cost thereof shall be accounted for in the same manner as for the addition of a retirement unit, as set forth in paragraph B(1), above, if a substantial addition results, otherwise

the charge shall be to the appropriate maintenance expense account.

(2) When a minor item of property is retired and not replaced, the book cost thereof shall be credited to the electric plant account in which it is included; and, in the event the minor item is a part of depreciable plant, the account for accumulated provision for depreciation shall be charged with the book cost and cost of removal and credited with the salvage. If, however, the book cost of the minor item retired and not replaced has been or will be accounted for by its inclusion in the retirement unit of which it is a part when such unit is retired, no separate credit to the property account is required when such minor item is retired.

(3) When a minor item of depreciable property is replaced independently of the retirement unit of which it is a part, the cost of replacement shall be charged to the maintenance account appropriate for the item, except that if the replacement effects a substantial betterment (the primary aim of which is to make the property affected more useful, more efficient, of greater durability, or of greater capacity), the excess cost of the replacement over the estimated cost at current prices of replacing without betterment shall be charged to the appropriate electric plant account.

D. The book cost of electric plant retired shall be the amount at which such property is included in the electric plant accounts, including all components of construction costs. The book cost shall be determined from the utility's records and if this cannot be done, it shall be estimated. When it is impracticable to determine the book cost of each unit, due to the relatively large number or small cost thereof, an appropriate average book cost of the units, with due allowance for any differences in size and character, shall be used as the book cost of the units retired.

E. The book cost of land retired shall be credited to the appropriate land account. If the land is sold, the difference between the book cost (less any accumulated provision for depreciation or amortization therefor which has been authorized and provided) and the sale price of the land (less commissions and other expenses of making the sale) shall be included in account 435, Miscellaneous Debits to Surplus, or account 434, Miscellaneous Credits to Surplus, as appropriate. If the land is not used in utility service but is retained by the utility, the book cost shall be charged to account 105, Electric Plant Held for Future Use, or account 121, Nonutility Property, as appropriate.

F. The book cost less net salvage of electric plant retired shall be charged in its entirety to account 110, Accumulated Provision for Depreciation and Amortization of Electric Plant. Any amounts which, by approval or order of the Commission, are charged to account 182, Extraordinary Property Losses, shall be credited to account 110, Accumulated Provision for Depreciation and Amortization of Electric Plant.

10. *Transfers of Property.*

When property is transferred from one electric plant account to another, from one utility department to another, such as from electric to gas, from one operating division or area to another, to or from Electric Plant in Service, Electric Plant Leased to Others, Electric Plant Held for Future Use, and Nonutility Property, the transfer shall be recorded by transferring the original cost thereof from one account, department, or location to the other. Any related amounts carried in the accounts for accumulated provision for depreciation or amortization shall be transferred in accordance with the segregation of such accounts.

11. *Common Utility Plant.*

A. If the utility is engaged in more than one utility service such as electric, gas, and water, and any of its utility plant is used in common for several utility services or for other purposes to such an extent and in such a manner that it is impracticable to segregate it by utility services currently in the accounts, such property, with the approval of the Commission, may be designated and classified as "common utility plant."

B. The book amount of utility plant designated as common plant shall be included in account 118, Other Utility Plant, and if applicable in part to the electric department, shall be segregated and accounted for in subaccounts as electric plant is accounted for in accounts 101 to 107, inclusive, and electric plant adjustments in account 116; any amounts classifiable as common plant acquisition adjustments or common plant adjustments shall be subject to disposition as provided in paragraphs C and B of accounts 114 and 116, respectively, for amounts classified in those accounts. The original cost of common utility plant in service shall be classified according to detailed utility plant accounts appropriate for the property.

C. The utility shall be prepared to show at any time and to report to the Commission annually, or more frequently, if required, and by utility plant accounts (301 to 399) the following: (1) The book cost of common utility plant, (2) the allocation of such cost to the respective departments using the common utility plant, and (3) the basis of the allocation.

D. The accumulated provision for depreciation and amortization of the utility shall be segregated so as to show the amount applicable to the property classified as common utility plant.

E. The expenses of operation, maintenance, rents, depreciation and amortization of common utility plant shall be recorded in the accounts prescribed herein, but designated as common expenses, and the allocation of such expenses to the departments using the common utility plant shall be supported in such manner as to reflect readily the basis of allocation used.

12. *Transmission and Distribution Plant.*

For the purpose of this system of accounts:

A. "Transmission system" means:

(1) All land, conversion structures, and equipment employed at a primary source of supply (i.e., generating station, or point of receipt in the case of purchased power) to change the voltage or frequency of electricity for the purpose of its more efficient or convenient transmission;

(2) All land, structures, lines, switching and conversion stations, high tension apparatus, and their control and protective equipment between a generating or receiving point and the entrance to a distribution center or wholesale point; and

(3) All lines and equipment whose primary purpose is to augment, integrate or tie together the sources of power supply.

B. "Distribution system" means all land, structures, conversion equipment, lines, line transformers, and other facilities employed between the primary source of supply (i.e., generating station, or point of receipt in the case of purchased power) and of delivery to customers, which are not includible in transmission system, as defined in paragraph A, whether or not such land, structures, and facilities are operated as part of a transmission system or as part of a distribution system.

NOTE: Stations which change electricity from transmission to distribution voltage shall be classified as distribution stations.

C. Where poles or towers support both transmission and distribuution conductors, the poles, towers, anchors, guys, and rights of way shall be classified as transmission system. The conductors, crossarms, braces, grounds, tiewire, insulators, etc., shall be classified as transmission or distribution facilities, according to the purpose for which used.

D. Where underground conduit contains both transmission and distribution conductors, the underground conduit and right of way shall be classified as distribution system. The conductors shall be classified as transmission or distribution facilities according to the purpose for which used.

E. Land (other than rights of way) and structures used jointly for transmission and distribution purposes shall be classified as transmission or distribution according to the major use thereof.

Operating Expense Instructions

1. *Maintenance.*

A. The cost of maintenance chargeable to the various operating expense and clearing accounts includes labor, materials, overheads and other expenses incurred in maintenance work. A list of work operations applicable generally to electric plant is included hereunder. Other work operations applicable to specific classes of plant are listed in functional maintenance expense accounts.

B. Materials recovered in connection with the maintenance of property shall be credited to the same account to which the maintenance cost was charged.

C. If the book cost of any property is carried in account 102, Electric Plant Purchased or Sold, the cost of maintaining such property shall be charged to the accounts for maintenance of property of the same class and use, the book cost of which is carried in other utility plant in service accounts. Maintenance of property leased from others shall be treated

as provided in operating expenses instruction 2.

ITEMS

1. Direct field supervision of maintenance.
2. Inspecting, testing, and reporting on condition of plant specifically to determine the need for repairs, replacements, rearrangements and changes and inspecting and testing the adequacy of repairs which have been made.
3. Work performed specifically for the purpose of preventing failure, restoring service ability or maintaining life of plant.
4. Rearranging and changing the location of plant not retired.
5. Repairing for reuse materials recovered from plant.
6. Testing for, locating and clearing trouble.
7. Net cost of installing, maintaining, and removing temporary facilities to prevent interruptions in service.
8. Replacing or adding minor items of plant which do not constitute a retirement unit. (See electric plant instruction 9.)

2. *Rents.*

A. The rent expense accounts provided under the several functional groups of expense accounts shall include all rents, including taxes paid by the lessee on leased property, for property used in utility operations, except (1) minor amounts paid for occasional or infrequent use of any property or equipment and all amounts paid for use of equipment that, if owned, would be includible in plant accounts 391 to 398, inclusive, which shall be treated as an expense item and included in the appropriate functional account and (2) rents which are chargeable to clearing accounts, and distributed therefrom to the appropriate account. If rents cover property used for more than one function, such as production and transmission, or by more than one department, the rents shall be apportioned to the appropriate rent expense or clearing accounts of each department on an actual, or, if necessary, an estimated basis.

B. When a portion of property or equipment rented from others for use in connection with utility operations is subleased, the revenue derived from such subleasing shall be credited to the rent revenue account in operating revenues; provided, however, that in case the rent was charged to a clearing account, amounts received from subleasing the property shall be credited to such clearing account.

C. The cost, when incurred by the lessee, of operating and maintaining leased property, shall be charged to the accounts appropriate for the expense if the property were owned.

D. The cost incurred by the lessee of additions and replacements to electric plant leased from others shall be accounted for as provided in electric plant instruction 5.

Balance Sheet Accounts

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1. UTILITY PLANT

101 Electric plant in service.
102 Electric plant purchased or sold.
103 Electric plant in process of reclassification.
104 Electric plant leased to others.
105 Electric plant held for future use.
107 Construction work in progress—Electric.
110 Accumulated provision for depreciation and amortization of electric plant.
114 Electric plant acquisition adjustments.
116 Other electric plant adjustments.
118 Other utility plant.
119 Accumulated provision for depreciation and amortization of other utility plant.

2. OTHER PROPERTY AND INVESTMENTS

121 Nonutility property.
122 Accumulated provision for depreciation and amortization of nonutility property.
124 Other investments.
125 Special funds.

3. CURRENT AND ACCRUED ASSETS

131 Cash and working funds.
132 Temporary cash investments.
141 Notes receivable.
142 Customer accounts receivable.
143 Other accounts receivable.
144 Accumulated provision for uncollectible accounts—Cr.
145 Notes receivable from associated companies.
146 Accounts receivable from associated companies.
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4. DEFERRED DEBITS

181 Unamortized debt discount and expense.
182 Extraordinary property losses.
183 Other deferred debits.

LIABILITIES AND OTHER CREDITS

5. PROPRIETARY CAPITAL

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204 Preferred capital stock.
207 Other paid-in capital.
212 Installments received on capital stock.
213 Discount on capital stock.
214 Capital stock expense.
215 Appropriated earned surplus.
216 Unappropriated earned surplus.
217 Reacquired capital stock.

6. LONG-TERM DEBT

221 Bonds.
223 Advances from associated companies.
224 Other long-term debt.

7. CURRENT AND ACCRUED LIABILITIES

231 Notes payable.
232 Accounts payable.
233 Notes payable to associated companies.
234 Accounts payable to associated companies.
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236 Taxes accrued.
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8. DEFERRED CREDITS

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9. OPERATING RESERVES

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262 Injuries and damages reserve.
263 Pensions and benefits reserve.
264 Amortization reserve—Federal.
265 Miscellaneous operating reserves.

10. CONTRIBUTIONS IN AID OF CONSTRUCTION

271 Contributions in aid of construction.

11. ACCUMULATED DEFERRED INCOME TAXES

281 Accumulated deferred income taxes—Accelerated amortization.
282 Accumulated deferred income taxes—Liberalized depreciation.
283 Accumulated deferred income taxes—Other.

Balance Sheet Accounts

ASSETS AND OTHER DEBITS

1. UTILITY PLANT

101 Electric plant in service.

A. This account shall include the original cost of electric plant, included in the plant accounts prescribed herein, owned and used by the utility in its electric operations, and having an expectation of life in service of more than one year from date of installation, including such property owned by the utility but held by nominees.

B. The cost of additions to and betterments of property leased from others, which are includible in this account, shall be maintained in subdivisions separate and distinct from those relating to owned property. (See electric plant instruction 5.)

102 Electric plant purchased or sold.

A. This account shall be charged with the cost of electric plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise, and shall be credited with the selling price of like property transferred to others pending the distribution to appropriate accounts in accordance with electric plant instruction 4.

B. Within six months from the date of acquisition or sale of property recorded herein, there shall be filed with the Commission the proposed journal entries to clear from this account the amounts recorded herein.

103 Electric plant in process of reclassification.

A. This account shall include temporarily the balance of electric plant as of the effective date of the prior system of accounts, which has not yet been reclassified as of the effective date of this system of accounts. The detail or primary accounts in support of this account employed prior to such date shall be continued pending reclassification into the electric plant accounts herein prescribed (301–399), but shall not be used for additions, betterments, or new construction.

B. No charges other than as provided in paragraph A, above, shall be made to this account, but retirements of such unclassified electric plant shall be credited hereto and to the supporting (old) fixed capital accounts until the reclassification shall have been accomplished.

104 Electric plant leased to others.

A. This account shall include the original cost of electric plant owned by the utility, but leased to others as operating units or systems, where the lessee has exclusive possession.

B. The property included in this account shall be classified according to the detailed accounts (301–399) prescribed for utility plant in service, and this account shall be maintained in such detail as though the property were used by the owner in its utility operations.

105 Electric plant held for future use.

A. This account shall include the original cost of property owned and held for future use in electric service under a definite plan for such use. There shall

be included herein property acquired but never used by the utility in electric service, but held for such service in the future under a definite plan, and property previously used by the utility in electric service, but retired from such service and held pending its reuse in the future, under a definite plan, in electric service.

B. The property included in this account shall be classified according to the detailed accounts (301–399) prescribed for electric plant in service and the account shall be maintained in such detail as though the property were in service.

NOTE: Materials and supplies, meters and transformers held in reserve, or normal spare capacity of plant in service shall not be included in this account.

107 Construction work in progress—Electric.

This account shall include the total of the balances of work orders for electric plant in process of construction but not ready for service at the date of the balance sheet.

110 Accumulated provision for depreciation and amortization of electric plant.

A. This account shall be credited with the following:

(1) Amounts charged to account 403, Depreciation Expense, to account 404, Amortization of Limited-Term Electric Plant, to account 405, Amortization of Other Electric Plant, to account 413, Expenses of Electric Plant Leased to Others, to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work, or to clearing accounts for currently accruing depreciation and amortization.

(2) Amounts charged to account 435, Miscellaneous Debits to Surplus, for past accrued depreciation or amortization.

(3) Amounts of depreciation applicable to electric properties acquired as operating units or systems. (See electric plant instruction 4.)

(4) Amounts chargeable to account 182, Extraordinary Property Losses, when authorized by the Commission.

(5) Amounts of depreciation applicable to electric plant donated to the utility.

B. At the time of retirement of electric plant, this account shall be charged with the book cost of the property retired and the cost of removal, and shall be credited with the salvage value and any other amounts recovered, such as insurance. When retirements, cost of removal and salvage are entered originally in retirement work orders, the net total of such work orders may be included in a separate subaccount hereunder. Upon completion of the work order, the proper distribution to subdivisions of this account shall be made as provided in the following paragraph.

C. For general ledger and balance sheet purposes, this account shall be regarded and treated as a single composite provision for depreciation. This account shall be subdivided to show the amount applicable to Electric Plant in Service, Electric Plant Leased to Others, and Electric Plant Held for Future Use. These subsidiary records shall show the current credits and debits to this account in sufficient detail to show separately for each subdivision, (1) the amount of accrual for depreciation or amortization, (2) the book cost of property retired, (3) cost of removal, (4) salvage and (5) other items, including recoveries from insurance.

D. When transfers of plant are made from one electric plant account to another, or from or to nonutility property, the accounting shall be as provided in electric plant instruction 10.

E. The utility is restricted in its use of the accumulated provision for depreciation to the purposes set forth above. It shall not transfer any portion of this account to surplus or make any other use thereof without authorization by the Commission.

114 Electric plant acquisition adjustments.

A. This account shall include the difference between (a) the cost to the accounting utility of electric plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise, and (b) the original cost, estimated, if not known, of such property, less the amount or amounts credited by the accounting utility at the time of acquisition to accumulated provision for depreciation and amortization and contributions in aid of construction with respect to such property.

B. With respect to acquisitions after the effective date of this system of accounts, this account shall be subdivided so as to show the amounts included herein for each property acquisition and to electric plant in service, electric plant held for future use, and electric plant leased to others. (See electric plant instruction 4.)

C. The amounts recorded in this account with respect to each property acquisition shall be amortized, or otherwise disposed of, as the Commission may approve or direct.

116 Other electric plant adjustments.

A. This account shall include the difference between the original cost, estimated if not known, and the book cost of electric plant to the extent that such difference is not properly includible in account 114, Electric Plant Acquisition Adjustments.

B. Amounts included in this account shall be classified in such manner as to show the origin of each amount and shall be disposed of as the Commission may approve or direct.

NOTE: The provisions of this account shall not be construed as approving or authorizing the recording of appreciation of electric plant.

118 Other utility plant.

This account shall include the balances in accounts for utility plant, other than electric plant, such as gas, railway, etc.

119 Accumulated provision for depreciation and amortization of other utility plant.

This account shall include the accumulated provision for depreciation and amortization applicable to utility property other than electric plant.

2. OTHER PROPERTY AND INVESTMENTS

121 Nonutility property.

A. This account shall include the book cost of land, structures, equipment or other tangible or intangible property owned by the utility, but not used in utility service and not properly includible in account 105, Electric Plant Held for Future Use.

B. This account shall be subdivided so as to show the amount of property used in operations which are nonutility in character but nevertheless constitute a distinct operating activity of the company (such as operation of an ice department where such activity is not classed as a utility) and the amount of miscellaneous property not used in operations. The records in support of each subaccount shall be maintained so as to show an appropriate classification of the property.

122 Accumulated provision for depreciation and amortization of nonutility property.

This account shall include the accumulated provision for depreciation and amortization applicable to nonutility property.

124 Other investments.

A. This account shall include the book cost of investments in securities issued or assumed by other companies, investment advances to such companies, and any investments not accounted for elsewhere. Include also the offsetting entry to the recording of amortization of discount or premium on interest bearing investments. (See account 419, Interest and Dividend Income.)

B. The cost of capital stock of the utility reacquired by it under a definite plan for resale pursuant to authorization by the Board of Directors may, if permitted by statutes, be included in a separate subdivision of this account. (See also account 207, Other Paid-in Capital, and account 217, Reacquired Capital Stock.)

C. The records shall be maintained in such manner as to show the amount of each investment and the investment advances to each person.

NOTE A: Securities owned and pledged shall be included in this account, but securities held in special deposits or in special funds shall be included in appropriate deposit or fund accounts. A complete record of securities pledged shall be maintained.

NOTE B: Securities held as temporary cash investments shall not be included in this account.

NOTE C: The utility may write down the cost of any security in recognition of a decline in the value thereof. Securities shall be written off or written down to a nominal value if there be no reasonable prospect of substantial value. Fluctuations in market value shall not be recorded but a permanent impairment in the value of securities shall be recognized in the accounts. When securities are written off or written down, the amount of the adjustment shall be charged to account 435, Miscellaneous Debits to Surplus, or to an appropriate account for provisions for loss in value established as a separate subdivision of this account.

125 Special funds.

This account shall include the amount of cash and book cost of investments

which have been segregated in special funds for bond retirements, property additions and replacements, insurance, employees' pensions, savings, relief, hospital, and other purposes not provided for elsewhere. A separate account, with appropriate title, shall be kept for each fund.

NOTE A: Amounts deposited with a trustee under the terms of an irrevocable trust agreement for pensions or other employees benefits shall not be included in this account.

NOTE B: Licensees under the Federal Power Act which are required to establish an amortization fund under terms of the license shall provide a special subdivision of this account for the purpose of accounting for and identifying the cash, investments or other specific assets associated with account 264, Amortization Reserve—Federal.

3. CURRENT AND ACCRUED ASSETS

Current and accrued assets are cash, those assets which are readily convertible into cash or are held for current use in operations or construction, current claims against others, payment of which is reasonably assured, and amounts accruing to the utility which are subject to current settlement, except such items for which accounts other than those designated as current and accrued assets are provided. There shall not be included in the group of accounts designated as current and accrued assets any item, the amount or collectibility of which is not reasonably assured, unless an adequate provision for possible loss has been made therefor. Items of current character but of doubtful value may be written down and for record purposes carried in these accounts at nominal value.

131 Cash and working funds.

This account shall include the amount of cash on hand and in banks and cash advanced to officers, agents, employees, and others as petty cash or working funds. Special cash deposits for payment of interest, dividends or other special purposes shall be included in this account in separate subdivisions which shall specify the purpose for which each such special deposit is made.

NOTE: Special Deposits for more than one year, which are not offset by current liabilities, shall not be charged to this account but to account 125, Special Funds.

132 Temporary cash investments.

A. This account shall include the book cost of investments, such as demand and time loans, bankers' acceptances, United States Treasury certificates, marketable securities, and other similar investments, acquired for the purpose of temporarily investing cash.

B. This account shall be so maintained as to show separately temporary cash investments in securities of associated companies and of others. Records shall be kept of any pledged investments.

141 Notes receivable.

This account shall include the book cost, not includible elsewhere, of all collectible obligations in the form of notes receivable and similar evidences (except interest coupons) of money due on demand or within one year from the date of issue, excepting, however, notes receivable from associated companies. (See account 132, Temporary Cash Investments, and account 145, Notes Receivable from Associated Companies.)

NOTE: The face amount of notes receivable, discounted, sold, or transferred without releasing the utility from liability as endorser thereon, shall be credited to a separate subdivision of this account and appropriate disclosure shall be made in financial statements of any contingent liability arising from such transactions.

142 Customer accounts receivable.

A. This account shall include amounts due from customers for utility service, and for merchandising, jobbing and contract work. This account shall not include amounts due from associated companies.

B. This account shall be maintained so as to permit ready segregation of the amounts due for merchandising, jobbing and contract work.

143 Other accounts receivable.

A. This account shall include amounts due the utility upon open accounts, other than amounts due from associated companies and from customers for utility services and merchandising, jobbing and contract work.

B. This account shall be maintained so as to show separately amounts due on subscriptions to capital stock and from officers and employees, but the account shall not include amounts advanced to officers or others as working funds. (See account 131, Cash and Working Funds.)

144 Accumulated provision for uncollectible accounts—Cr.

A. This account shall be credited with amounts provided for losses on accounts receivable which may become uncollectible, and also with collections on accounts previously charged hereto. Concurrent charges shall be made to account 904, Uncollectible Accounts, for amounts applicable to utility operations, and to corresponding accounts for other operations. Records shall be maintained so as to show the write-offs of accounts receivable for each utility department.

B. This account shall be subdivided to show the provision applicable to the following classes of accounts receivable:

Utility customers.
Merchandising, jobbing and contract work.
Officers and employees.
Other.

NOTE A: Accretions to this account shall not be made in excess of a reasonable provision against losses of the character provided for.

NOTE B: If provisions for uncollectible notes receivable or for uncollectible receivables from associated companies are necessary, separate subaccounts therefor shall be established under the account in which the receivable is carried.

145 Notes receivable from associated companies.

146 Accounts receivable from associated companies.

These accounts shall include notes and drafts upon which associated companies are liable, and which mature and are expected to be paid in full not later than one year from date of issue, together with any interest thereon, and debit balances subject to current settlement in open accounts with associated companies. Items which do not bear a specified due date but which have been carried for more than twelve months and items which are not paid within twelve months from due date shall be transferred to account 124, Other Investments.

NOTE A: On the balance sheet, accounts receivable from an associated company may be set off against accounts payable to the same company.

NOTE B: The face amount of notes receivable discounted, sold or transferred without releasing the utility from liability as endorser thereon, shall be credited to a separate subdivision of this account and appropriate disclosure shall be made in financial statements of any contingent liability arising from such transactions.

150 Materials and supplies.

A. This account shall include the cost of fuel on hand and unapplied materials and supplies (except line transformers and meters). It shall include also the book cost of materials recovered in connection with construction, maintenance or the retirement of property, such materials being credited to construction, maintenance, or accumulated depreciation provision, respectively, and included herein as follows:

(1) Reusable materials consisting of large individual items shall be included in this account at original cost, estimated if not known. The cost of repairing such items shall be charged to the maintenance account appropriate for the previous use.

(2) Reusable materials consisting of relatively small items, the identity of which (from the date of original installation to the final abandonment or sale thereof) cannot be ascertained without undue refinement in accounting, shall be included in this account at current prices new for such items. The cost of repairing such items shall be charged to the appropriate expense account as indicated by previous use.

(3) Scrap and nonusable materials included in this account shall be carried at the estimated net amount realized therefrom. The difference between the amounts realized for scrap and nonusable materials sold and the net amount at which the materials were carried in this account, as far as practicable shall be adjusted to the accounts credited when the materials were charged to this account.

B. Materials and supplies issued shall be credited hereto and charged to the appropriate construction, operating expense, or other account on the basis of a unit price determined by the use of cumulative average, first-in first-out, or such other method of inventory accounting as conforms with accepted accounting standards consistently applied.

C. Inventories of materials, supplies, fuel, etc., shall be taken at least annually and the necessary adjustments shall be made to bring this account into agreement with the actual inventories. In effecting the adjustments, large differences which can be assigned to important classes of materials shall be equi-

tably adjusted among the accounts to which such classes of materials have been charged since the previous inventory. Other differences shall be equitably apportioned among the accounts to which materials have been charged.

ITEMS

1. Invoice price of materials less cash or other discounts.
2. Freight, switching or other transportation charges when practicable to include as part of the cost of particular materials to which they relate.
3. Customs duties and excise taxes.
4. Costs of inspection and special tests prior to acceptance.
5. Insurance and other directly assignable charges.

NOTE A: Where expenses applicable to materials purchased cannot be directly assigned to particular purchases, they may be charged to a stores expense clearing account and distributed therefrom to the appropriate account.

NOTE B: When materials and supplies are purchased for immediate use, they need not be carried through this account but may be charged directly to the appropriate utility plant or expense account.

165 Prepayments.

A. This account shall include the amount of rents, taxes, insurance, interest and like disbursements made in advance of the period to which they apply. As the periods covered by such prepayments expire, credit this account and charge the proper operating expense or other account with the amount applicable to the period.

B. This account shall be kept or supported in such manner as to disclose the amount of each class of prepayments.

170 Other current and accrued assets.

This account shall include the book cost of all other current and accrued assets, appropriately designated and supported so as to show the nature of each asset included herein.

4. DEFERRED DEBITS

181 Unamortized debt discount and expense.

A. This account shall include the total of the unamortized balance of discount and expense for all classes of long-term debt.

B. The discount and expense shall be amortized over the life of the respective issues under a plan which will distribute the amounts equitably over the life of the securities. The amortization shall be charged to account 428, Amortization of Debt Discount and Expense. The utility may, however, accelerate the writing off of discount and expense where the amounts are insignificant.

182 Extraordinary property losses.

A. When authorized or directed by the Commission, this account shall include extraordinary losses on property abandoned or otherwise retired from service which are not provided for by the accumulated provisions for depreciation or amortization and which could not reasonably have been foreseen and provided for, and extraordinary losses, such as unforeseen damages to property, which could not reasonably have been anticipated and which are not covered by insurance or other provisions.

B. The entire cost, less net salvage, of depreciable property retired shall be charged to accumulated provision for depreciation. If all, or a portion, of the loss is to be included in this account, the accumulated provision for depreciation shall then be credited and this account charged with the amount properly chargeable hereto.

C. Application to the Commission for permission to use this account shall be accompanied by a statement giving a complete explanation with respect to the items which it is proposed to include herein, the period over which, and the accounts to which it is proposed to write off the charges and other pertinent information.

183 Other deferred debits.

A. This account shall include the following classes of items:

(1) Expenditures for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of utility projects under contemplation. If construction results, this account shall be credited with the amount applicable thereto and the appropriate plant accounts shall be charged with an amount which does not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to plant. If the work is abandoned, the charge shall be to account 435, Miscellaneous Debits to Surplus, or to the appropriate operating expense accounts.

(2) Undistributed balances in clearing accounts at the date of the balance sheet. Balances in clearing accounts shall be substantially cleared not later than the end of the calendar year unless items held therein relate to a future period.

(3) Balances representing expenditures for work in progress other than on utility plant. This includes jobbing and contract work in progress.

(4) Other debit balances, the proper final disposition of which is uncertain, and unusual or extraordinary expenses, not included in other accounts, which are in process of being written off.

B. The records supporting the entries to this account shall be so kept that the utility can furnish full information as to each deferred debit included herein.

5. PROPRIETARY CAPITAL

201 Common capital stock.

204 Preferred capital stock.

A. These accounts shall include the par value or the stated value of stock without par value if such stock has a stated value, and if not, the cash value of the consideration received for such nonpar stock, of each class of capital actually issued, including the par or stated value of such capital stock in account 124, Other Investments, and account 217, Reacquired Capital Stock.

B. When the actual cash value of the consideration received is more or less than the par or stated value of any stock having a par or stated value, the difference shall be credited or debited, as the case may be, to the premium or discount account for the particular class and series.

C. When capital stock is retired, these accounts shall be charged with the amount at which such stock is carried herein.

D. A separate ledger account, with a descriptive title, shall be maintained for each class and series of stock. The supporting records shall show the shares nominally issued, actually issued, and nominally outstanding.

NOTE: When a levy or assessment, except a call for payment on subscriptions, is made against holders of capital stock, the amount collected upon such levy or assessment shall be credited to account 207, Other Paid-in Capital; provided, however, that the credit shall be made to account 213, Discount on Capital Stock, to the extent of any remaining balance of discount on the issue of stock.

207 Other paid-in capital.

This account shall include the balance of all other credits for paid-in capital not includible in the capital stock accounts, and shall be kept so as to show the source of the credits includible herein.

ITEMS

1. Premium received on original issues of capital stock.
2. Donations received from stockholders or reduction of debt of the utility, and the cash value of other assets received as a donation.
3. Reduction in par or stated value of capital stock.
4. Gain on resale or cancellation of reacquired capital stock.
5. Miscellaneous paid-in capital.

NOTE: Premium on capital stock shall not be set off against expenses. Further, a premium received on an issue of a certain class or series of stock shall not be set off against expense of another issue of the same class or series.

212 Installments received on capital stock.

A. This account shall include in a separate subdivision for each class and series of capital stock the amount of installments received on capital stock on a partial or installment payment plan for subscribers who are not bound by legally enforceable subscription contracts.

B. As subscriptions are paid in full and certificates issued, this account shall be charged and the appropriate capital stock account credited with the par or stated value of such stock. Any discount or premium on an original issue shall be included in the appropriate discount or premium account.

213 Discount on capital stock.

A. This account shall include in a separate subdivision for each class and series of capital stock all discount on the original issuance and sale of capital stock, including additional capital stock of a particular class or series as well as first issues.

B. When capital stock which has been actually issued is retired, the amount in this account applicable to the shares retired shall be written off to account 207, Other Paid-in Capital, provided, however, that the amount shall be charged to account 435, Miscellaneous Debits to

Surplus, to the extent that it exceeds the balance in account 207.

C. The utility may amortize the balance in this account by systematic charges to account 425, Miscellaneous Amortization, or it may write off capital stock discount in whole or in part by charges to account 435, Miscellaneous Debits to Surplus.

214 Capital stock expense.

A. This account shall include in a separate subdivision for each class and series of stock all commissions and expenses incurred in connection with the original issuance and sale of capital stock, including additional capital stock of a particular class or series as well as first issues. Expenses applicable to capital stock shall not be deducted from premium on capital stock.

B. When capital stock which has been actually issued by the utility is retired, the amount in this account applicable to the shares retired shall be written off to account 207, Other Paid-in Capital, to the extent of gains on resale or cancellation of reacquired stock includible therein; provided, however, that the amount shall be charged to account 435, Miscellaneous Debits to Surplus, to the extent that it exceeds the balance in account 207, from such source.

C. The utility may amortize the balance carried in this account by systematic charges to account 425, Miscellaneous Amortization, or it may write off capital stock expense in whole or in part by charges to account 435, Miscellaneous Debits to Surplus.

NOTE: Expenses in connection with the reacquisition or resale of the utility's capital stock shall not be included herein.

215 Appropriated earned surplus.

This account shall include the amount of earned surplus which has been appropriated or set aside for specific purposes. Separate subaccounts shall be maintained under such titles as will designate the purpose for which each appropriation was made.

216 Unappropriated earned surplus.

This account shall include the balance, either debit or credit, of unappropriated surplus arising from earnings. It shall not include items includible in any subaccount of account 207, Other Paid-in Capital.

217 Reacquired capital stock.

A. This account shall include in a separate subdivision for each class and series of capital stock, the cost of capital stock actually issued by the utility and reacquired by it and not retired or canceled, except, however, stock which is held by trustees in sinking or other funds.

B. When reacquired capital stock is retired or canceled, the difference between its cost, including commissions and expenses paid in connection with the reacquisition, and its par or stated value plus any premium and less any discount and expenses applicable to the shares retired, shall be debited or credited, as appropriate, to account 207, Other Paid-in Capital, provided, however, that debits shall be charged to account 435, Miscellaneous Debits to Surplus, to the extent that they exceed the balance of gains on resale or cancellation of reacquired stock included in account 207.

C. When reacquired capital stock is resold by the utility, the difference between the amount received on the resale of the stock, less expenses incurred in the resale, and the cost of the stock included in this account shall be accounted for as outlined in paragraph B.

NOTE A: See account 124, Other Investments, for permissive accounting treatment of stock reacquired under a definite plan for resale.

NOTE B: The accounting for reacquired stock shall be as prescribed herein unless otherwise specifically required by statute.

6. LONG-TERM DEBT

221 Bonds.

A. Separate accounts shall be maintained hereunder for unmatured bonds of each class and series. Each such account shall be subdivided so as to show, (1) the face value of the actually issued and unmatured bonds, which have not been retired or canceled; also the face value of such bonds issued by others, the payment of which has been assumed by the utility, (2) the face value of bonds actually issued or assumed by the utility and reacquired by it and not paid, retired, or canceled. The account for reacquired debt shall not include securities which are held by trustees in sinking or other funds.

B. When bonds are reacquired, the difference between face value, adjusted for unamortized discount, expense or premium and the amount paid upon reacquisition, shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, as appropriate.

223 Advances from associated companies.

A. This account shall include the face value of notes payable to associated companies and the amount of open book accounts representing advances from associated companies. It does not include notes and open accounts representing indebtedness subject to current settlement which are includible in account 233, Notes Payable to Associated Companies, or account 234, Accounts Payable to Associated Companies.

B. The records supporting the entries to this account shall be so kept that the utility can furnish complete information concerning each note and open account.

224 Other long-term debt.

A. This account shall include, until maturity, all long-term debt not otherwise provided for. This covers such items as receivers' certificates, real estate mortgages executed or assumed, assessment for public improvement, notes and unsecured certificates of indebtedness now owned by associated companies, receipts outstanding for long-term debt, and other obligations maturing more than one year from date of issue or assumption.

B. Separate accounts shall be maintained for each class of obligation, and records shall be maintained to show for each class all details as to date of obligation, date of maturity, interest dates and rates, security for the obligation, etc.

NOTE: Miscellaneous long-term debt reacquired shall be accounted for in accordance with the procedure set forth in account 221, Bonds.

7. CURRENT AND ACCRUED LIABILITIES

Current and accrued liabilities are those obligations which have either matured or which become due within one year from the date thereof; except, however, bonds, receivers' certificates and similar obligations which shall be classified as long-term debt until date of maturity; accrued taxes, such as income taxes, which shall be classified as accrued liabilities even though payable more than one year from date; compensation awards, which shall be classified as current liabilities regardless of date due; and minor amounts payable in installments which may be classified as current liabilities. If a liability is due more than one year from date of issuance or assumption by the utility, it shall be credited to a long-term debt account appropriate for the transaction, except, however, the current liabilities previously mentioned.

231 Notes payable.

This account shall include the face value of all notes, drafts, acceptances, or other similar evidences of indebtedness, payable on demand or within a time not exceeding one year from date of issue, to other than associated companies.

232 Accounts payable.

This account shall include all amounts payable by the utility within one year, which are not provided for in other accounts.

233 Notes payable to associated companies.

234 Accounts payable to associated companies.

These accounts shall include amounts owing to associated companies on notes, drafts, acceptances, or other similar evidences of indebtedness, and open accounts payable on demand or not more than one year from date of issue or creation.

NOTE: Exclude from these accounts notes and accounts which are includible in account 223, Advances from Associated Companies.

235 Customer deposits.

This account shall include all amounts deposited with the utility by customers as security for the payment of bills.

236 Taxes accrued.

A. This account shall be credited with the amount of taxes accrued during the accounting period, corresponding debits being made to the appropriate accounts for tax charges. Such credits may be based upon estimates, but from time to time during the year as the facts become known, the amount of the periodic credits shall be adjusted so as to include as nearly as can be determined in each year the taxes applicable thereto. Any

amount representing a prepayment of taxes applicable to the period subsequent to the date of the balance sheet, shall be shown under account 165, Prepayments.

B. If accruals for taxes are found to be insufficient or excessive, correction therefor shall be made through current tax accruals. However, if such corrections are so large as to seriously distort current expenses, they shall be included in account 434, Miscellaneous Credits to Surplus, or account 435, Miscellaneous Debits to Surplus, as appropriate.

C. Accruals for taxes shall be based upon the net amount payable after credit for any discounts and shall not include any amounts for interest on tax deficiencies or refunds. Interest received on refunds shall be credited to account 419, Interest and Dividend Income, and interest paid on deficiencies shall be charged to account 431, Other Interest Expense.

D. The records supporting the entries to this account shall be kept so as to show for each class of taxes, the amount accrued, the basis for the accrual, the accounts to which charged, and the amount of tax paid.

237 Interest accrued.

This account shall include the amount of interest accrued but not matured on all liabilities of the utility not including, however, interest which is added to the principal of the debt on which incurred. Supporting records shall be maintained so as to show the amount of interest accrued on each obligation.

238 Other current and accrued liabilities.

This account shall include the amount of all other current and accrued liabilities not provided for elsewhere appropriately designated and supported so as to show the nature of each liability.

ITEMS

1. Dividends declared but not paid.
2. Matured long-term debt.
3. Matured interest.
4. Taxes collected through payroll deductions or otherwise pending transmittal to the proper taxing authority.

8. DEFERRED CREDITS

251 Unamortized premium on debt.

A. This account shall include the total of the unamortized balance of premium and expense for all classes of long-term debt, including receivers' certificates.

B. The premium and expense shall be amortized over the life of the respective issues under a plan which will distribute the amounts equitably over the life of the securities. The amortization shall be credited to account 429, Amortization of Premium on Debt—Credit.

252 Customer advances for construction.

This account shall include advances by customers for construction which are to be refunded either wholly or in part. When a customer is refunded the entire amount to which he is entitled, according to the agreement or rule under which the advance was made, the balance, if any, remaining in this account shall be credited to account 271, Contributions in Aid of Construction.

253 Other deferred credits.

This account shall include advance billings and receipts and other deferred credit items, not provided for elsewhere, including amounts which cannot be entirely cleared or disposed of until additional information has been received.

9. OPERATING RESERVES

261 Property insurance reserve.

A. This account shall include amounts reserved by the utility for self-insurance against losses through accident, fire, flood, or other hazards to its own property or property leased from others. A schedule of risks covered by this reserve shall be maintained, giving a description of the property involved, the character of the risks covered and the rates used.

B. Charges shall be made to this account for losses covered by self-insurance. Details of these charges shall be maintained according to the year the casualty occurred which gave rise to the loss.

262 Injuries and damages reserve.

A. This account shall be credited with amounts charged to account 925, Injuries and Damages, or other appropriate accounts, to meet the probable liability, not covered by insurance, for deaths or injuries to employees and others, and for damages to property neither owned nor held under lease by the utility.

B. When liability for any injury or damage is admitted by the utility either voluntarily or because of the decision of a court or other lawful authority, such as a workmen's compensation board, the admitted liability shall be charged to this account and credited to the appropriate liability account. Details of these charges shall be maintained according to the year the casualty occurred which gave rise to the loss.

NOTE: Recoveries or reimbursements for losses charged to this account shall be credited hereto; the cost of repairs to property of others if provided for herein, shall be charged to this account.

263 Pensions and benefits reserve.

A. This account shall include provisions made by the utility and amounts contributed by employees for pensions, accident and death benefits, savings, relief, hospital and other provident purposes, where the funds represented by the reserve are included in the assets of the utility either in general or in segregated fund accounts.

B. Amounts paid by the utility for the purposes for which this reserve is established shall be charged hereto.

C. A separate account shall be kept for each kind of reserve included herein.

NOTE: If employee pension or benefit plan funds are not included among the assets of the utility but are held by outside trustees, payments into such funds, or accruals therefor, shall not be included in this account.

264 Amortization reserve—Federal.

A. This account shall be credited with such amounts as are appropriated or set aside by a licensee from earnings for amortization purposes in accordance with the requirements of a license; also interest or other income from investments of a special amortization fund established pursuant to license requirements. (See account 125, Special Funds.)

B. This account shall be debited with only such items or amounts as the Commission may require or approve.

265 Miscellaneous operating reserves.

A. This account shall include all operating reserves maintained by the utility which are not provided for elsewhere.

B. This account shall be maintained in such manner as to show the amount of each separate reserve and the nature and amounts of the debits and credits thereto.

NOTE: This account includes only such reserves as may be created for operating purposes and does not include any reservations of income the credits for which should be carried in account 215, Appropriated Earned Surplus.

10. CONTRIBUTIONS IN AID OF CONSTRUCTION

271 Contributions in aid of construction.

A. This account shall include donations or contributions in cash, services, or property from States, municipalities or other governmental agencies, individuals, and others for construction purposes.

B. The credits to this account shall not be transferred to earned surplus or to any other account without the approval of the Commission.

C. The records supporting the entries to this account shall be so kept that the utility can furnish information as to the purpose of each donation, the conditions, if any, upon which it was made, the amount of donations from (a) States, (b) municipalities, (c) customers and (d) others, and the amount applicable to each utility department.

D. This account shall be subdivided as follows:

Contributions in Aid of Construction—General.
Contributions in Aid of Construction—Federal.

Contributions in Aid of Construction—General shall include all the donations to the various utility departments except those which are made in respect to a licensed project. Contributions in Aid of Construction—Federal shall be kept only by licensees. There shall be included therein donations from States, municipalities, individuals or others which have been expended for plant, or which are included in the plant accounts, of a licensed project, referred to in section 3, subsection (13) of the Federal Power Act, 49 Stat. 839; 16 U.S.C. 796(13). This treatment shall not affect the determination of actual legitimate original cost or net investment in accordance with the Act.

NOTE: There shall not be included in this account advances for construction which are ultimately to be repaid wholly or in part. (See account 252, Customer Advances for Construction.)

11. ACCUMULATED DEFERRED INCOME TAXES

Public utilities and licensees shall use the accounts provided below for prior

accumulations of deferred taxes on income and for additional provisions. A copy of the order or other authorization to practice deferred tax accounting of the state public service commission also having jurisdiction shall be filed with the Commission, or, in the absence of a state public service commission having accounting jurisdiction, the public utility or licensee shall file with this Commission a copy of its plan of accounting for deferred taxes on income. The filing of such order or other authorization, or accounting plan, shall constitute permission for additional accumulations of deferred taxes on income. Account 283 is provided for use of those public utilities and licensees which have obtained permission of the Commission for specific types of deferrals on taxes on income other than with respect to accelerated amortization or liberalized depreciation.

NOTE A: The text of the accounts below are designed primarily to cover deferrals of federal income taxes pursuant to provisions of the Internal Revenue Code of 1954 but the accounts are also applicable to deferrals of State taxes on income.

NOTE B: Public Utilities and Licensees which, in addition to an electric utility department, have another utility department, gas, water, etc., and which have deferred taxes on income with respect thereto shall classify such deferrals in the accounts provided below under subdivisions for each utility department.

281 Accumulated deferred income taxes—Accelerated amortization.

A. This account shall be credited and account 410, Provision for Deferred Income Taxes, shall be debited with an amount equal to that by which taxes on income payable for the year are lower because of the use of accelerated (5-year) amortization of certified defense facilities in computing such taxes, as permitted by section 168 of the Internal Revenue Code of 1954 (section 124A of previous Internal Revenue Code), as compared to the depreciation deduction otherwise appropriate and allowable for tax purposes according to the straight line or other nonaccelerated depreciation method and appropriate estimated useful life for such property.

B. This account shall be debited and account 411 Income Taxes Deferred in Prior Years—Credit, shall be credited with an amount equal to that by which taxes on income payable for the year are greater because of the use in prior years of accelerated (5-year) amortization of certified defense facilities instead of nonaccelerated or nonliberalized depreciation otherwise appropriate for income tax purposes, and deferral of taxes in such prior years as described in paragraph A, above. Such debit to this account and credit to account 411 shall, in general, represent the effect on taxes payable for the current year of the unavailability of a depreciation deduction for tax purposes, or a reduced amount, with respect to any depreciable property for which accelerated amortization was used in prior years, as compared to the depreciation deduction otherwise available and appropriate for such property, considering its estimated useful life, according to the depreciation method ordinarily used by the utility for similar property in computing depreciation for tax purposes by a nonaccelerated or nonliberalized depreciation method.

C. Records with respect to entries to this account, as described above, and the account balance, shall be so maintained as to show the factors of calculation and the separate amounts applicable to the facilities of each certification or authorization of accelerated amortization for tax purposes.

D. The use of this account and the accounting described above are not mandatory for any utility, which in accordance with a consistent policy elects not to follow deferred tax accounting even though accelerated amortization is used in computing taxes on income. If, however, deferred tax accounting is initiated with respect to any certified defense facility, the accounting shall not be suspended or discontinued on the property covered by that certificate, without approval of the Commission.

E. The utility is restricted in its use of this account to the purposes set forth above. It shall not transfer the balance in this account or any portion thereof to surplus or make any use thereof except as provided in the text of this account without prior approval of the Commission. Any remaining balance of accumulated deferred taxes with respect to any certified defense facility for which deferred tax accounting has been followed, shall, upon expiration of the estimated useful life of the facility on which deferred tax calculations were based, or upon retirement of such facility or predominant part thereof, be credited to account 411, Income Taxes Deferred in Prior Years—Credit, or otherwise be applied as the Commission may authorize or direct.

282 Accumulated deferred income taxes—Liberalized depreciation.

A. This account shall be credited and account 410, Provision for Deferred Income Taxes, shall be debited with an amount equal to that by which taxes on income payable for the year are lower because of the use of liberalized depreciation in computing such taxes, as permitted by Section 167 of the Internal Revenue Code of 1954, as compared to the depreciation deduction otherwise appropriate and allowable for tax purposes for similar property of the same estimated useful life according to the straight line or other nonliberalized method of depreciation.

B. This account shall be debited and account 411, Income Taxes Deferred in Prior Years—Credit, shall be credited with an amount equal to that by which taxes on income payable for the year are greater because of the use in prior years of liberalized depreciation for income tax purposes, and deferral of taxes in such prior years as described in paragraph A above. Such debit to this account and credit to account 411, shall, in general, represent the effect on taxes payable for the current year of the smaller amount of depreciation permitted for tax purposes for the current year with respect to any depreciable property for which liberalized depreciation was used in prior years, as compared to the depreciation deduction otherwise appropriate and available for similar property of the same estimated useful life according to the straight line or other nonliberalized depreciation method ordinarily used by the utility in computing depreciation for tax purposes.

C. Records with respect to entries to this account, as described above, and account balance, shall be so maintained as to show the factors of calculation and the separate amounts applicable to the plant additions of each vintage year for each class, group, or unit as to which different liberalized depreciation methods and estimated useful lives have been used. The underlying calculations to segregate and associate deferred tax amounts with the respective vintage years may be based on reasonable methods of approximation, if necessary, consistently applied.

D. The use of this account and the accounting described above are not mandatory for any utility, which in accordance with a consistent policy, elects not to follow deferred tax accounting even though liberalized depreciation is used in computing taxes on income. If however, deferred tax accounting is initiated with respect to any property such accounting shall not be discontinued on that property, without approval of the Commission.

E. The utility is restricted in its use of this account to the purposes set forth above. It shall not transfer the balance in the account or any portion thereof to surplus or make any use thereof except as provided in the text of this account without prior approval of the Commission. Any remaining deferred tax balance with respect to any year's plant additions or subdivisions thereof for which liberalized depreciation accounting has been followed upon retirement from service of such property or predominant portion thereof, or upon expiration of the estimated useful life on which the depreciation calculations for tax purposes are based, shall be credited to account 411, Income Taxes Deferred in Prior Years—Credit, or otherwise applied as the Commission may authorize or direct.

283 Accumulated deferred income taxes—Other.

A. This account, when its use has been authorized by the Commission for specific types of tax deferrals shall be credited and account 410, Provision for Deferred Income Taxes, shall be debited with an amount equal to that by which taxes on income payable for the year are lower because of the current use of deductions other than accelerated amortization or liberalized depreciation in the computation of income taxes, which deductions for general accounting purposes will not be fully reflected in the utility's determination of annual net income until subsequent years.

B. This account, when its use has been authorized by the Commission, shall be debited and account 411, Income Taxes

Deferred in Prior Years—Credit, shall be credited with an amount equal to that by which taxes on income payable for the year are greater because of deferral of taxes on income in previous years, as provided by paragraph A, above, because of difference in timing for tax purposes of particular income deductions from that recognized by the utility for general accounting purposes, other than with respect to accelerated amortization or liberalized depreciation. Such debit to this account and credit to account 411 shall, in general, represent the effect on taxes payable in the current year of the smaller deduction permitted for tax purposes as compared to the amount recognized in the utility's general accounts with respect to the item or class of items for which deferred tax accounting by the utility was authorized by the Commission.

C. Records with respect to entries to this account, as described above, and the account balance, shall be so maintained as to show the factors of calculation with respect to each annual amount of the item or class of items, other than accelerated amortization or liberalized depreciation, for which tax deferral accounting by the utility is authorized by the Commission.

D. The utility is restricted in its use of this account to the purposes set forth above. It shall not transfer the balance in the account or any portion thereof to surplus or make any use thereof except as provided in the text of this account, without prior approval of the Commission. Any remaining deferred tax account balance with respect to an amount for any prior year's tax deferral, the amortization of which or other recognition in the utility's income accounts has been completed, or other disposition made, shall be credited to account 411, Income Taxes Deferred in Prior Years—Credit, or otherwise disposed of as the Commission may authorize or direct.

NOTE: In determining appropriate use of this account as a basis of request to the Commission for authorization of its use, consideration shall be given to the relative importance of the amount involved, and to other items in the utility's accounts where "prepaid tax accounting" may be appropriate such as situations (a) where the time of taking a deduction in computing taxes on income is such that the tax deduction must be delayed or applied to a series of future years as opposed to earlier recognition of such item in determination of income in the general accounts of the utility, or (b) where inclusion of an income item is required for tax purposes but is to be recognized in whole or in part in the utility's income accounts of a subsequent year or years.

Electric Plant Accounts

1. INTANGIBLE PLANT

301 Organization.
302 Franchises and consents.
303 Miscellaneous intangible plant.

2. PRODUCTION PLANT

A. STEAM PRODUCTION

310 Land and land rights.
311 Structures and improvements.
312 Boiler plant equipment.
313 Engines and engine driven generators.
314 Turbogenerator units.
315 Accessory electric equipment.
316 Miscellaneous power plant equipment.

B. HYDRAULIC PRODUCTION

330 Land and land rights.
331 Structures and improvements.
332 Reservoirs, dams and waterways.
333 Water wheels, turbines and generators.
334 Accessory electric equipment.
335 Miscellaneous power plant equipment.
336 Roads, railroads and bridges.

C. OTHER PRODUCTION

340 Land and land rights.
341 Structures and improvements.
342 Fuel holders, producers and accessories.
343 Prime movers.
344 Generators.
345 Accessory electric equipment.
346 Miscellaneous power plant equipment.

3. TRANSMISSION PLANT

350 Land and land rights.
351 Clearing land and rights of way.
352 Structures and improvements.
353 Station equipment.
354 Towers and fixtures.
355 Poles and fixtures.
356 Overhead conductors and devices.
357 Underground conduit.
358 Underground conductors and devices.
359 Roads and trails.

4. DISTRIBUTION PLANT

360 Land and land rights.
361 Structures and improvements.
362 Station equipment.
363 Storage battery equipment.
364 Poles, towers and fixtures.
365 Overhead conductors and devices.
366 Underground conduit.
367 Underground conductors and devices.
368 Line transformers.
369 Services.
370 Meters.
371 Installations on customers' premises.
372 Leased property on customers' premises.
373 Street lighting and signal systems.

5. GENERAL PLANT

389 Land and land rights.
390 Structures and improvements.
391 Office furniture and equipment.
392 Transportation equipment.
393 Stores equipment.
394 Tools, shop and garage equipment.
395 Laboratory equipment.
396 Power operated equipment.
397 Communication equipment.
398 Miscellaneous equipment.
399 Other tangible property.

Electric Plant Accounts

1. INTANGIBLE PLANT

301 Organization.

This account shall include all fees paid to federal or state governments for the privilege of incorporation and expenditures incident to organizing the corporation, partnership, or other enterprise and putting it into readiness to do business.

ITEMS

1. Cost of obtaining certificates authorizing an enterprise to engage in the public-utility business.
2. Fees and expenses for incorporation.
3. Fees and expenses for mergers or consolidations.
4. Office expenses incident to organizing the utility.
5. Stock and minute books and corporate seal.

NOTE A: This account shall not include any discounts upon securities issued or assumed; nor shall it include any costs incident to negotiating loans, selling bonds or other evidences of debt or expenses in connection with the authorization, issuance or sale of capital stock.

NOTE B: Exclude from this account and include in the appropriate expense account the cost of preparing and filing papers in connection with the extension of the term of incorporation unless the first organization costs have been written off. When charges are made to this account for expenses incurred in mergers, consolidations, or reorganizations, amounts previously included herein or in similar accounts in the books of the companies concerned shall be excluded from this account.

302 Franchises and consents.

A. This account shall include amounts paid to the federal government, to a State or to a political subdivision thereof in consideration for franchises, consents, water power licenses, or certificates, running in perpetuity or for a specified term of more than one year, together with necessary and reasonable expenses incident to procuring such franchises, consents, water power licenses, or certificates of permission and approval, including expenses of organizing and merging separate corporations where statues require, solely for the purpose of acquiring franchise.

B. If a franchise, consent, water power license, or certificate is acquired by assignment, the charge to this account in respect thereof shall not exceed the amount paid therefor by the utility to the assignor, nor shall it exceed the amount paid by the original grantee, plus the expense of acquisition, to such grantee. Any excess of the amount actually paid by the utility over the amount above specified shall be charged to account 435, Miscellaneous Debits to Surplus.

C. When any franchise has expired, the book cost thereof shall be credited hereto and charged to account 435, Miscellaneous Debits to Surplus, or to account 110, Accumulated Provision for Depreciation and Amortization of Electric Plant, as appropriate.

D. Records supporting this account shall be kept so as to show separately the book cost of each franchise or consent.

NOTE: Annual or other periodic payments under franchises shall not be included herein but in the appropriate operating expense account.

303 Miscellaneous intangible plant.

A. This account shall include the cost of patent rights, licenses, privileges, and other intangible property necessary or valuable in the conduct of utility operations and not specifically chargeable to any other account.

B. When any item included in this account is retired or expires, the book cost thereof shall be credited hereto and charged to account 435, Miscellaneous Debits to Surplus, or account 110, Accumulated Provision for Depreciation and Amortization of Electric Plant, as appropriate.

C. This account shall be maintained in such a manner that the utility can furnish full information with respect to the amounts included herein.

2. Production Plant

A. Steam production

310 Land and land rights.

This account shall include the cost of land and land rights used in connection with steam-power generation. (See electric plant instruction 6.)

311 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with steam-power generation. (See electric plant instruction 7.)

NOTE: Include steam production roads and railroads in this account.

312 Boiler plant equipment.

This account shall include the cost installed of furnaces, boilers, coal and ash handling and coal preparing equipment, steam and feed water piping, boiler apparatus and accessories used in the production of steam, mercury, or other vapor, to be used primarily for generating electricity.

ITEMS

1. Ash handling equipment, including hoppers, gates, cars, conveyors, hoists, sluicing equipment, including pumps and motors, sluicing water pipe and fittings, sluicing trenches and accessories, etc., except sluices which are a part of a building.
2. Boiler feed system, including feed water heaters, evaporator condensers, heater drain pumps, heater drainers, deaerators, and vent condensers, boiler feed pumps, surge tanks, feed water regulators, feed water measuring equipment, and all associated drives.
3. Boiler plant cranes and hoists and associated drives.
4. Boilers and equipment, including boilers and baffles, economizers, superheaters, soot blowers, foundations and settings, water walls, arches, grates, insulation, blow-down system, drying out of new boilers, also associated motors or other power equipment.
5. Breeching and accessories, including breeching, dampers, soot spouts, hoppers and gates, cinder eliminators, breeching insulation, soot blowers and associated motors.
6. Coal handling and storage equipment, including coal towers, coal lorries, coal cars, locomotives and tracks when devoted principally to the transportation of coal, hoppers, downtakes, unloading and hoisting equipment, skip hoists and conveyors, weighing equipment, magnetic separators, cable ways, housings and supports for coal handling equipment.
7. Draft equipment, including air preheaters and accessories, induced and forced draft fans, air ducts, combustion control mechanisms, and associated motors or other power equipment.
8. Gas-burning equipment, including holders, burner equipment and piping, control equipment, etc.
9. Instruments and devices, including all measuring, indicating, and recording equipment for boiler plant service together with mountings and supports.
10. Lighting systems.
11. Oil-burning equipment, including tanks, heaters, pumps with drive, burner equipment and piping, control equipment, etc.
12. Pulverized fuel equipment, including pulverizers, accessory motors, primary air fans, cyclones and ducts, dryers, pulverized fuel bins, pulverized fuel conveyors and equipment, burners, burner piping, priming equipment, air compressors, motors, etc.
13. Stacks, including foundations and supports, stack steel and ladders, stack brick work, stack concrete, stack lining, stack painting (first), when set on separate foundations, independent of substructure or superstructure of building.
14. Station piping, including pipe, valves, fittings, separators, traps, desuperheaters, hangers, excavation, covering, etc. for station piping system, including all steam, condensate, boiler feed and water supply piping, etc., but not condensing water, plumbing, building heating, oil, gas, air piping or piping specifically provided for in account 313.
15. Stoker or equivalent feeding equipment, including stokers and accessory motors, clinker grinders, fans and motors, etc.
16. Ventilating equipment.
17. Water purification equipment, including softeners and accessories, evaporators and accessories, heat exchangers, filters, tanks for filtered or softened water, pumps, motors, etc.
18. Water-supply systems, including pumps, motors, strainers, raw-water storage tanks, boiler wash pumps, intake and discharge pipes and tunnels not a part of a building.
19. Wood fuel equipment, including hoppers, fuel hogs and accessories, elevators and conveyors, bins and gates, spouts, measuring equipment and associated drives.

NOTE: When the system for supplying boiler or condenser water is elaborate, as when it includes a dam, reservoir, canal, pipe line, cooling ponds, or where gas or oil is used as a fuel for providing steam and is supplied through a pipe line system owned by the utility, the cost of such special facilities shall be charged to a subdivision of account 311, Structures and Improvements.

313 Engines and engine driven generators.

This account shall include the cost installed of steam engines, reciprocating or rotary, and their associated auxiliaries; and engine driven main generators, except turbogenerator units.

ITEMS

1. Air cleaning and cooling apparatus, including blowers, drive equipment, air ducts not a part of building, louvers, pumps, hoods, etc.
2. Belting, shafting, pulleys, reduction gearing, etc.
3. Circulating pumps, including connections between condensers and intake and discharge tunnels.
4. Cooling system, including towers, pumps, tank, and piping.
5. Condensers, including condensate pumps, air and vacuum pumps, ejectors, unloading valves and vacuum breakers, expansion devices, screens, etc.
6. Cranes, hoists, etc., including items wholly identified with items listed herein.
7. Engines, reciprocating or rotary.
8. Fire-extinguishing systems.
9. Foundations and settings, especially constructed for and not expected to outlast the apparatus for which provided.
10. Generators—main, A.C. or D.C., including field rheostats and connections for self-excited units, and excitation systems when identified with the generating unit.
11. Governors.
12. Lighting systems.
13. Lubricating systems, including gauges, filters, tanks, pumps, piping, motors, etc.
14. Mechanical meters, including gauges, recording instruments, sampling and testing equipment.
15. Piping—main exhaust, including connections between generator and condenser and between condenser and hotwell.
16. Piping—main steam, including connections from main throttle valve to turbine inlet.
17. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
18. Pressure oil system, including accumulators, pumps, piping, motors, etc.
19. Throttle and inlet valve.
20. Tunnels, intake and discharge, for condenser system, when not a part of a structure.
21. Water screens, motors, etc.

314 Turbogenerator units.

This account shall include the cost installed of main turbine driven units and accessory equipment used in generating electricity by steam.

ITEMS

1. Air cleaning and cooling apparatus, including blowers, drive equipment, air ducts not a part of building, louvers, pumps, hoods, etc.
2. Circulating pumps, including connections between condensers and intake and discharge tunnels.
3. Condensers, including condensate pumps, air and vacuum pumps, ejectors, unloading valves and vacuum breakers, expansion devices, screens, etc.
4. Generator hydrogen gas piping system and hydrogen detrainment equipment.
5. Cooling system, including towers, pumps, tanks, and piping.
6. Cranes, hoists, etc., including items wholly identified with items listed herein.
7. Excitation system, when identified with main generating units.
8. Fire-extinguishing systems.
9. Foundations and settings, especially constructed for and not expected to outlast the apparatus for which provided.
10. Governors.
11. Lighting systems.
12. Lubricating systems, including gauges, filters, water separators, tanks, pumps, piping, motors, etc.
13. Mechanical meters, including gauges, recording instruments, sampling and testing equipment.
14. Piping—main exhaust, including connections between turbogenerator and condenser and between condenser and hotwell.
15. Piping—main steam, including connections from main throttle valve to turbine inlet.
16. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
17. Pressure oil systems, including accumulators, pumps, piping, motors, etc.
18. Steelwork, specially constructed for apparatus listed herein.
19. Throttle and inlet valve.
20. Tunnels, intake and discharge, for condenser system, when not a part of structure, water screens, etc.
21. Turbogenerators—main, including turbine and generator, field rheostats and electric connections for self-excited units.
22. Water screens, motors, etc.
23. Moisture separators for turbine steam.
24. Turbine lubricating oil (initial charge).

315 Accessory electric equipment.

This account shall include the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced by steam power, and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts. Such motors shall be included in the account in which the equipment with which they are associated is included.

ITEMS

1. Auxiliary generators, including boards, compartments, switching equipment, control equipment, and connections to auxiliary power bus.

2. Excitation system, including motor, turbine and dual-drive exciter sets and rheostats, storage batteries and charging equipment, circuit breakers, panels and accessories, knife switches and accessories, surge arresters, instrument shunts, conductors and conduit, special supports for conduit, generator field and exciter switch panels, exciter bus tie panels, generator and exciter rheostats, etc., special housing, protective screens, etc.

3. Generator main connections, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads, grounding switch, etc., special housing, protective screens, etc.

4. Station buses, including main, auxiliary, transfer, synchronizing and fault ground buses, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors, starting transformers, current transformers, potential transformers, protective relays, storage batteries and charging equipment, isolated panels and equipment, conductors and conduit, special supports, special housings, concrete pads, general station grounding system, special fire-extinguishing system, and test equipment.

5. Station control system, including station switchboards with panel wiring, panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, truck-type boards complete, cubicles, station supervisory control boards, generator and exciter signal stands, temperature recording devices, frequency-control equipment, master clocks, watt-hour meters and synchronoscope in the turbine room, station totalizing wattmeter, boiler-room load indicator equipment, storage batteries, panels and charging sets, instrument transformers for supervisory metering, conductors and conduit, special supports for conduit, switchboards, batteries, special housing for batteries, protective screens, doors, etc.

NOTE A: Do not include in this account transformers and other equipment used for changing the voltage or frequency of electricity for the purpose of transmission or distribution.

NOTE B: When any item of equipment listed herein is used wholly to furnish power to equipment included in another account, its cost shall be included in such other account.

316 Miscellaneous power plant equipment.

This account shall include the cost installed of miscellaneous equipment in and about the steam generating plant devoted to general station use, and which is not properly includible in any of the foregoing steampower production accounts.

ITEMS

1. Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.

2. Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.

3. Fire-extinguishing equipment for general station use.

4. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.

5. Locomotive cranes not includible elsewhere.

6. Locomotives not includible elsewhere.

7. Marine equipment, including boats, barges, etc.

8. Miscellaneous belts, pulleys, countershafts, etc.

9. Miscellaneous equipment, including atmospheric and weather indicating devices, intrasite communication equipment, laboratory equipment, signal systems, callophones, emergency whistles and sirens, fire alarms, insect-control equipment, and other similar equipment.

10. Railway cars not includible elsewhere.

11. Refrigerating systems, including compressors, pumps, cooling coils, etc.

12. Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.

13. Ventilating equipment, including items wholly identified with apparatus listed herein.

NOTE: When any item of equipment listed herein is wholly used in connection with equipment included in another account its cost shall be included in such other account.

B. HYDRAULIC PRODUCTION

330 Land and land rights.

This account shall include the cost of land and land rights used in connection with hydraulic power generation. (See electric plant instruction 6.)

331 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with hydraulic power generation. (See electric plant instruction 7.)

332 Reservoirs, dams and waterways.

This account shall include the cost in place of facilities used for impounding, collecting, storage, diversion, regulation, and delivery of water used primarily for generating electricity.

ITEMS

1. Bridges and culverts (when not a part of roads or railroads).

2. Clearing and preparing land.

3. Dams, including wasteways, spillways, flash boards, spillway gates with operating and control mechanisms, tunnels, gate houses, and fish ladders.

4. Dikes and embankments.

5. Electric system, including conductors, control system, transformers, lighting fixtures, etc.

6. Excavation, including shoring, bracing, bridging, refill, and disposal of excess excavated materials.

7. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.

8. Intakes, including trash racks, rack cleaners, control gates and valves with operating mechanisms, and intake house when not a part of station structure.

9. Platforms, railings, steps, gratings, etc., appurtenant to structures listed herein.

10. Power lines wholly identified with items included herein.

11. Retaining walls.

12. Water conductors and accessories, including canals, tunnels, flumes, penstocks, pipe conductors, forebays, tailraces, navigation locks and operating mechanisms, water-hammer and surge tanks, and supporting trestles and structures.

13. Water storage reservoirs, including dams, flashboards, spillway gates and operating mechanisms, inlet and outlet tunnels, regulating valves and valve towers, silt and mud sluicing tunnels with valve or gate towers, and all other structures wholly identified with any of the foregoing items.

333 Water wheels, turbines and generators.

This account shall include the cost installed of water wheels and hydraulic turbines (from connection with penstock or flume to tail-race) and generators driven thereby devoted to the production of electricity by water power or for the production of power for industrial or other purposes, if the equipment used for such purposes is a part of the hydraulic power plant works.

ITEMS

1. Exciter water wheels and turbines, including runners, gates, governors, pressure regulators, oil pumps, operating mechanisms, scroll cases, draft tubes, and draft-tube supports.

2. Fire-extinguishing equipment.

3. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.

4. Generator cooling system, including air cooling and washing apparatus, air fans and accessories, air ducts, etc.

5. Generators-main, A.C. or D.C., including field rheostats and connections for self-excited units and excitation system when identified with the generating unit.

6. Lighting systems.

7. Lubricating systems, including gauges, filters, tanks, pumps, piping, etc.

8. Main penstock valves and appurtenances, including main valves, control equipment, bypass valves and fittings, and other accessories.

9. Main turbines and water wheels, including runners, gates, governors, pressure regulators, oil pumps, operating mechanisms, scroll cases, draft tubes, and draft-tube supports.

10. Mechanical meters and recording instruments.

11. Miscellaneous water-wheel equipment, including gauges, thermometers, meters, and other instruments.

12. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.

13. Scroll case filling and drain system, including gates, pipe, valves, fittings, etc.

14. Water-actuated pressure-regulator system, including tanks and housings, pipes, valves, fittings and insulations, piers and anchorage, and excavation and backfill.

334 Accessory electric equipment.

This account shall include the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced by hydraulic power and the protection of electric circuits and equipment, except electric motors used to drive equipment included in other accounts, such motors being included in the account in which the equipment with which they are associated is included.

ITEMS

1. Auxiliary generators, including boards, compartments, switching equipment, control equipment, and connections to auxiliary power bus.

2. Excitation system, including motor, turbine, and dual-drive exciter sets and rheostats, storage batteries and charging equipment, circuit breakers, panels and accessories,

knife switches and accessories, surge arresters, instrument shunts, conductors and conduit, special supports for conduit, generator field and exciter switch panels, exciter bus tie panels, generator and exciter rheostats, etc., special housings, protective screens, etc.

3. Generator main connections, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads, grounding switch, etc., special housings, protective screens, etc.

4. Station buses, including main, auxiliary, transfer, synchronizing, and fault ground buses, including oil circuit breakers and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors, starting transformers, current transformers, potential transformers, protective relays, storage batteries and charging equipment, isolated panels and equipment, conductors and conduit, special supports, special fire-extinguishing system, and test equipment.

5. Station control system, including station switchboards with panel wiring, panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, truck type boards complete, cubicles, station supervisory control devices, frequency control equipment, master clocks, watt-hour meter, station totalizing watt-meter, storage batteries, panels and charging sets, instrument transformers for supervisory metering, conductors and conduit, special supports for conduit, switchboards, batteries, special housings for batteries, protective screens, doors, etc.

NOTE A: Do not include in this account transformers and other equipment used for changing the voltage or frequency of electricity for the purpose of transmission or distribution.

NOTE B: When any item of equipment listed herein is used wholly to furnish power to equipment, it shall be included in such equipment account.

335 Miscellaneous power plant equipment.

This account shall include the cost installed of miscellaneous equipment in and about the hydroelectric generating plant which is devoted to general station use and is not properly includible in other hydraulic production accounts.

ITEMS

1. Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
2. Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.
3. Fire-extinguishing equipment for general station use.
4. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
5. Locomotive cranes not includible elsewhere.
6. Locomotives not includible elsewhere.
7. Marine equipment, including boats, barges, etc.
8. Miscellaneous belts, pulleys, countershafts, etc.
9. Miscellaneous equipment, including atmospheric and weather indicating devices, intrasite communication equipment, laboratory equipment, insect control equipment, signal system, callophones, emergency whistles and sirens, fire alarms, and other similar equipment.
10. Railway cars, not includible elsewhere.
11. Refrigerating system, including compressors, pumps, cooling coils, etc.
12. Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
13. Ventilating equipment, including items wholly identified with apparatus listed herein.

NOTE: When any item of equipment, listed herein is used wholly in connection with equipment included in another account, its cost shall be included in such other account.

336 Roads, railroads and bridges.

This account shall include the cost of roads, railroads, trails, bridges, and trestles used primarily as production facilities. It includes also those roads, etc., necessary to connect the plant with highway transportation systems, except when such roads are dedicated to public use and maintained by public authorities.

ITEMS

1. Bridges, including foundations, piers, girders, trusses, flooring, etc.
2. Clearing land.
3. Railroads, including grading, ballast, ties, rails, culverts, hoists, etc.
4. Roads, including grading, surfacing, culverts, etc.
5. Structures, constructed and maintained in connection with items listed herein.
6. Trails, including grading, surfacing, culverts, etc.
7. Trestles, including foundations, piers, girders, trusses, flooring, etc.

NOTE A: Roads intended primarily for connecting employees' houses with the power plant shall not be included herein but in account 331, Structures and Improvements.

NOTE B: The cost of temporary roads, bridges, etc., necessary during the period of construction but abandoned or dedicated to public use upon completion of the plant, shall not be included herein but shall be charged to the accounts appropriate for the construction.

C. OTHER PRODUCTION

340 Land and land rights.

This account shall include the cost of land and land rights used in connection with other power generation. (See electric plant instruction 6.)

341 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with other power generation. (See electric plant instruction 7.)

342 Fuel holders, producers, and accessories.

This account shall include the cost installed of fuel handling and storage equipment used between the point of fuel delivery to the station and the intake pipe through which fuel is directly drawn to the engine, also the cost of gas producers and accessories devoted to the production of gas for use in prime movers driving main electric generators.

ITEMS

1. Blower and fans.
2. Boilers and pumps.
3. Economizers.
4. Exhauster outfits.
5. Flues and piping.
6. Pipe system.
7. Producers.
8. Regenerators.
9. Scrubbers.
10. Steam injectors.
11. Tanks for storage of oil, gasoline, etc.
12. Vaporizers.

343 Prime movers.

This account shall include the cost installed of Diesel or other prime movers devoted to the generation of electric energy, together with their auxiliaries.

ITEMS

1. Air-filtering system.
2. Belting, shafting, pulleys, reduction gearing, etc.
3. Cooling system, including towers, pumps, tanks, and piping.
4. Cranes, hoists, etc., including items wholly identified with apparatus listed herein.
5. Engines, Diesel, gasoline, gas or other internal combustion.
6. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
7. Governors.
8. Ignition system.
9. Inlet valve.
10. Lighting systems.
11. Lubricating systems, including filters, tanks, pumps, and piping.
12. Mechanical meters, including gauges, recording instruments, sampling and testing equipment.
13. Mufflers.
14. Piping.
15. Starting systems, compressed air, or other, including compressors and drives, tanks, piping, motors, boards and connections, storage tanks, etc.
16. Steelwork, specially constructed for apparatus listed herein.
17. Waste heat boilers, antifluctuators, etc.

344 Generators.

This account shall include the cost installed of Diesel or other power driven main generators.

ITEMS

1. Cranes, hoists, etc., including items wholly identified with such apparatus.
2. Fire-extinguishing equipment.
3. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
4. Generator cooling system, including air cooling and washing apparatus, air fans and accessories, air ducts, etc.
5. Generators—main, A.C. or D.C., including field rheostats and connections for self-excited units and excitation system when identified with the generating unit.
6. Lighting systems.
7. Lubricating system, including tanks, filters, strainers, pumps, piping, coolers, etc.
8. Mechanical meters, and recording instruments.
9. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.

NOTE: If prime movers and generators are so integrated that it is not practical to separately classify as Prime Movers, the entire unit may be included in account 344, Generators.

345 Accessory electric equipment.

This account shall include the cost installed of auxiliary generating apparatus, conversion equipment, and equipment used primarily in connection with the control and switching of electric energy produced in other power generating stations, and the protection of electric circuits and equipment, except elec-

tric motors used to drive equipment included in other accounts. Such motors shall be included in the account in which the equipment with which it is associated is included.

ITEMS

1. Auxiliary generators, including boards, compartments, switching equipment, control equipment, and connections to auxiliary power bus.
2. Excitation system, including motor, turbine and dual drive exciter sets and rheostats, storage batteries and charging equipment, circuit breakers, panels and accessories, knife switches and accessories, surge arresters, instrument shunts, conductors and conduit, special supports for conduit, generator field and exciter switch panels, exciter bus tie panels, generator and exciter rheostats, etc., special housings, protective screens, etc.
3. Generator main connections, including oil circuit breakers, and accessories, disconnecting switches and accessories, operating mechanisms and interlocks, current transformers, potential transformers, protective relays, isolated panels and equipment, conductors and conduit, special supports for generator main leads, grounding switch, etc., special housing, protective screens, etc.
4. Station control system, including station switchboards with panel wiring, panels with instruments and control equipment only, panels with switching equipment mounted or mechanically connected, trunk-type boards complete, cubicles, station supervisory control boards, generator and exciter signal stands, temperature-recording devices, Frequency control equipment, master clocks, watt-hour meter, station totalizing wattmeter, storage batteries, panels and charging sets, instrument transformers for supervisory metering, conductors and conduit, special supports for conduit, switchboards, batteries, special housing for batteries, protective screens, doors, etc.
5. Station buses, including main, auxiliary, transfer, synchronizing and fault ground buses, including oil circuit breakers and accessories, disconnnecting switches and accessories, operating mechanisms and interlocks, reactors and accessories, voltage regulators and accessories, compensators, resistors, starting transformers, current transformers, potential transformers, protective relays, storage batteries, and charging equipment, isolated panels and equipment, conductors and conduit, special supports, special housings, concrete pads, general station ground system, special fire-extinguishing system, and test equipment.

NOTE A: Do not include in this account transformers and other equipment used for changing the voltage or frequency of electric energy for the purpose of transmission or distribution.

NOTE B: When any item of equipment listed herein is used wholly to furnish power to equipment included in another account, its cost shall be included in such other account.

346 Miscellaneous power plant equipment.

This account shall include the cost installed of miscellaneous equipment in and about the other power generating plant, devoted to general station use, and not properly includible in any of the foregoing other power production accounts.

ITEMS

1. Compressed air and vacuum cleaning systems, including tanks, compressors, exhausters, air filters, piping, etc.
2. Cranes and hoisting equipment, including cranes, cars, crane rails, monorails, hoists, etc., with electric and mechanical connections.
3. Fire-extinguishing equipment for general station use.
4. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
5. Miscellaneous equipment, including atmospheric and weather indicating devices, intrasite communication equipment, laboratory equipment, signal systems, callophones, emergency whistles and sirens, fire alarms, and other similar equipment.
6. Miscellaneous belts, pulleys, countershafts, etc.
7. Refrigerating system including compressors, pumps, cooling coils, etc.
8. Station maintenance equipment, including lathes, shapers, planers, drill presses, hydraulic presses, grinders, etc., with motors, shafting, hangers, pulleys, etc.
9. Ventilating equipment, including items wholly identified with apparatus listed herein.

NOTE: When any item of equipment, listed herein, is used wholly in connection with equipment included in another account, its cost shall be included in such other account.

3. TRANSMISSION PLANT

350 Land and land rights.

This account shall include the cost of land and land rights used in connection with transmission operations. (See electric plant instruction 6.)

351 Clearing land and rights of way.

This account shall include the cost of initial or original clearing of transmission land and rights of way.

NOTE: The cost of removing stumps, grading, excavating, etc., incident to the preparation of foundations for towers or other structures or to the construction of roads, trails, and bridges, shall not be included in this account but in the accounts directly benefited.

352 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with transmission operations. (See electric plant instruction 7.)

353 Station equipment.

This account shall include the cost installed of transforming, conversion, and switching equipment used for the purpose of changing the characteristics of electricity in connection with its transmission or for controlling transmission circuits.

ITEMS

1. Bus compartments, concrete, brick, and sectional steel, including items permanently attached thereto.
2. Conduit, including concrete and iron duct runs not part of a building.
3. Control equipment, including batteries, battery charging equipment, transformers, remote relay boards, and connections.
4. Conversion equipment, including transformers, indoor and outdoor, frequency changers, motor generator sets, rectifiers, synchronous converters, motors, cooling equipment, and associated connections.
5. Fences.
6. Fixed and synchronous condensers, including transformers, switching equipment, blowers, motors, and connections.
7. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
8. General station equipment, including air compressors, motors, hoists, cranes, test equipment, ventilating equipment, etc.
9. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
10. Primary and secondary voltage connections, including bus runs and supports, insulators, potheads, lightning arresters, cable and wire runs from and to outdoor connections or to manholes and the associated regulators, reactors, resistors, surge arresters, and accessory equipment.
11. Switchboards, including meters, relays, control wiring, etc.
12. Switching equipment, indoor and outdoor, including oil circuit breakers and operating mechanisms, truck switches, and disconnect switches.
13. Tools and appliances.

354 Towers and fixtures.

This account shall include the cost installed of towers and appurtenant fixtures used for supporting overhead transmission conductors.

ITEMS

1. Anchors, guys, braces.
2. Brackets.
3. Crossarms, including braces.
4. Excavation, backfill, and disposal of excess excavated material.
5. Foundations.
6. Guards.
7. Insulator pins and suspension bolts.
8. Ladders and steps.
9. Railings, etc.
10. Towers.

355 Poles and fixtures.

This account shall include the cost installed of transmission line poles, wood, steel, concrete, or other material, together with appurtenant fixtures used for supporting overhead transmission conductors.

ITEMS

1. Anchors, head arm and other guys, including guy guards, guy clamps, strain insulators, pole plates, etc.
2. Brackets.
3. Crossarms and braces.
4. Excavation and backfill, including disposal of excess excavated material.
5. Extension arms.
6. Gaining, roofing, stenciling, and tagging.
7. Insulator pins and suspension bolts.
8. Paving.
9. Pole steps.
10. Poles, wood, steel, concrete, or other material.
11. Racks complete with insulators.
12. Reinforcing and stubbing.
13. Settings.
14. Shaving and painting.

356 Overhead conductors and devices.

This account shall include the cost installed of overhead conductors and devices used for transmission purposes.

ITEMS

1. Circuit breakers.
2. Conductors, including insulated and bare wires and cables.
3. Ground wires and ground clamps.
4. Insulators, including pin, suspension, and other types.
5. Lightning arresters.
6. Switches.
7. Other line devices.

357 Underground conduit.

This account shall include the cost installed of underground conduit and tunnels used for housing transmission cables or wires. (See electric plant instruction 12.)

ITEMS

1. Conduit, concrete, brick or tile, including iron pipe, fiber pipe, Murray duct, and standpipe on pole or tower.
2. Excavation, including shoring, bracing, bridging, backfill, and disposal of excess excavated material.
3. Foundations and settings specially constructed for and not expected to outlast the apparatus for which provided.
4. Lighting systems.
5. Manholes, concrete or brick, including iron or steel, frames and covers, hatchways, gratings, ladders, cable racks and hangers, etc., permanently attached to manholes.
6. Municipal inspection.
7. Pavement disturbed, including cutting and replacing pavement, pavement base and sidewalks.
8. Permits.
9. Protection of street openings.
10. Removal and relocation of subsurface obstructions.
11. Sewer connections, including drains, traps, tide valves, check valves, etc.
12. Sumps, including pumps.
13. Ventilating equipment.

358 Undergound conductors and devices.

This account shall include the cost installed of underground conductors and devices used for transmission purposes.

ITEMS

1. Armored conductors, buried, including insulators, insulating materials, splices, potheads, trenching, etc.
2. Armored conductors, submarine, including insulators, insulating materials, splices in terminal chambers, potheads, etc.
3. Cables in standpipe, including pothead and connection from terminal chamber of manhole to insulators on pole.
4. Circuit breakers.
5. Fireproofing, in connection with any item listed herein.
6. Hollow-core oil-filled cable, including straight or stop joints, pressure tanks, auxiliary air tanks, feeding tanks, terminals, potheads and connections, ventilating equipment, etc.
7. Lead and fabric covered conductors, including insulators, compound filled, oil filled, or vacuum splices, potheads, etc.
8. Lightning arresters.
9. Municipal inspection.
10. Permits.
11. Protection of street openings.
12. Racking of cables.
13. Switches.
14. Other line devices.

359 Roads and trails.

This account shall include the cost of roads, trails, and bridges used primarily as transmission facilities.

ITEMS

1. Bridges, including foundation piers, girders, trusses, flooring, etc.
2. Clearing land.
3. Roads, including grading, surfacing, culverts, etc.
4. Structures, constructed and maintained in connection with items included herein.
5. Trails, including grading, surfacing, culverts, etc.

NOTE: The cost of temporary roads, bridges, etc., necessary during the period of construction but abandoned or dedicated to public use upon completion of the plant, shall be charged to the accounts appropriate for the construction.

4. DISTRIBUTION PLANT

360 Land and land rights.

This account shall include the cost of land and land rights used in connection with distribution operations. (See electric plant instruction 6.)

NOTE: Do not include in this account the cost of permits to erect poles, towers, etc., or to trim trees. See account 364, Poles, Towers and Fixtures, and account 365, Overhead Conductors and Devices.

361 Structures and improvements.

This account shall include the cost in place of structures and improvements used in connection with distribution operations. (See electric plant instruction 7.)

362 Station equipment.

This account shall include the cost installed of station equipment, including transformer banks, etc., which are used for the purpose of changing the characteristics of electricity in connection with its distribution.

ITEMS

1. Bus compartments, concrete, brick and sectional steel, including items permanently attached thereto.
2. Conduit, including concrete and iron duct runs not part of building.
3. Control equipment, including batteries, battery charging equipment, transformers, remote relay boards, and connections.
4. Conversion equipment, indoor and outdoor, frequency changers, motor generator sets, rectifiers, synchronous converters, motors, cooling equipment, and associated connections.
5. Fences.
6. Fixed and synchronous condensers, including transformers, switching equipment, blowers, motors, and connections.
7. Foundations and settings, specially constructed for and not expected to outlast the apparatus for which provided.
8. General station equipment, including air compressors, motors, hoists, cranes, test equipment, ventilating equipment, etc.
9. Platforms, railings, steps, gratings, etc., appurtenant to apparatus listed herein.
10. Primary and secondary voltage connections, including bus runs and supports, insulators, potheads, lightning arresters, cable and wire runs from and to outdoor connections or to manholes and the associated regulators, reactors, resistors, surge arresters, and accessory equipment.
11. Switchboards, including meters, relays, control wiring, etc.
12. Switching equipment, indoor and outdoor, including oil circuit breakers and operating mechanisms, truck switches, disconnect switches.

NOTE: The cost of rectifiers, series transformers, and other special station equipment devoted exclusively to street lighting service shall not be included in this account, but in account 373, Street Lighting and Signal Systems.

363 Storage battery equipment.

This account shall include the cost installed of storage battery equipment for the purpose of supplying electricity to meet emergency or peak demands.

ITEMS

1. Batteries, including elements, tanks, tank insulators, etc.
2. Battery room connections, including cable or bus runs and connections.
3. Battery room flooring, when specially laid for supporting batteries.
4. Charging equipment, including motor generator sets and other charging equipment and connections, and cable runs from generator or station bus to battery room connections.
5. Miscellaneous equipment, including instruments, water stills, etc.
6. Switching equipment, including end-cell switches and connections, boards and panels, used exclusively for battery control, not part of general station switchboard.
7. Ventilating equipment, including fans and motors, louvers, and ducts not part of building.

NOTE: Storage batteries used for control and general station purposes shall not be included in this account but in the account appropriate for their use.

364 Poles, towers, and fixtures.

This account shall include the cost installed of poles, towers, and appurtenant fixtures used for supporting overhead distribution conductors and service wires.

ITEMS

1. Anchors, head arm, and other guys, including guy guards, guy clamps, strain insulators, pole plates, etc.
2. Brackets.
3. Crossarms and braces.
4. Excavation and backfill, including disposal of excess excavated material.
5. Extension arms.
6. Foundations.
7. Guards.
8. Insulator pins and suspension bolts.
9. Paving.
10. Permits for construction.
11. Pole steps and ladders.
12. Poles, wood, steel, concrete, or other material.
13. Racks complete with insulators.
14. Railings.
15. Reinforcing and stubbing.
16. Settings.
17. Shaving, painting, gaining, roofing, stenciling, and tagging.
18. Towers.
19. Transformer racks and platforms.

365 Overhead conductors and devices.

This account shall include the cost installed of overhead conductors and devices used for distribution purposes.

ITEMS

1. Circuit breakers.
2. Conductors, including insulated and bare wires and cables.
3. Ground wires, clamps, etc.
4. Insulators, including pin, suspension, and other types, and tie wire or clamps.
5. Lightning arresters.
6. Railroad and highway crossing guards.
7. Splices.
8. Switches.
9. Tree trimming initial cost including the cost of permits therefor.
10. Other line devices.

NOTE: The cost of conductors used solely for street lighting or signal systems shall not be included in this account but in account 373, Street Lighting and Signal Systems.

366 Underground conduit.

This account shall include the cost installed of underground conduit and tunnels used for housing distribution cables or wires.

ITEMS

1. Conduit, concrete, brick and tile, including iron pipe, fiber pipe, Murray duct, and standpipe on pole or tower.
2. Excavation, including shoring, bracing, bridging, backfill, and disposal of excess excavated material.
3. Foundations and settings specially constructed for and not expected to outlast the apparatus for which constructed.

4. Lighting systems.
5. Manholes, concrete or brick, including iron or steel frames and covers, hatchways, gratings, ladders, cable racks and hangers, etc., permanently attached to manholes.
6. Municipal inspection.
7. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
8. Permits.
9. Protection of street openings.
10. Removal and relocation of subsurface obstructions.
11. Sewer connections, including drains, traps, tide valves, check valves, etc.
12. Sumps, including pumps.
13. Ventilating equipment.

NOTE: The cost of underground conduit used solely for street lighting or signal systems shall be included in account 373, Street Lighting and Signal Systems.

367 Underground conductors and devices.

This account shall include the cost installed of underground conductors and devices used for distribution purposes.

ITEMS

1. Armored conductors, buried, including insulators, insulating materials, splices, potheads, trenching, etc.
2. Armored conductors, submarine, including insulators, insulating materials, splices in terminal chamber, potheads, etc.
3. Cables in standpipe, including pothead and connection from terminal chamber or manhole to insulators on pole.
4. Circuit breakers.
5. Fireproofing, in connection with any items listed herein.
6. Hollow-core oil-filled cable, including straight or stop joints, pressure tanks, auxiliary air tanks, feeding tanks, terminals, potheads and connections, etc.
7. Lead and fabric covered conductors, including insulators, compound-filled, oil-filled or vacuum splices, potheads, etc.
8. Lightning arresters.
9. Municipal inspection.
10. Permits.
11. Protection of street openings.
12. Racking of cables.
13. Switches.
14. Other line devices.

NOTE: The cost of underground conductors and devices used solely for street lighting or signal systems shall be included in account 373, Street Lighting and Signal Systems.

368 Line transformers.

A. This account shall include the cost installed of overhead and underground distribution line transformers and pole-type and underground voltage regulators owned by the utility, for use in transforming electricity to the voltage at which it is to be used by the customer, whether actually in service or held in reserve.

B. When a transformer is permanently retired from service, the original installed cost thereof shall be credited to this account.

C. The records covering line transformers shall be so kept that the utility can furnish the number of transformers of various capacities in service and those in reserve, and the location and the use of each transformer.

ITEMS

1. Installation, labor of (first installation only).
2. Transformer cut-out boxes.
3. Transformer, lightning arresters.
4. Transformers, line and network.
5. Capacitors.
6. Network protectors.

NOTE: The cost of removing and resetting line transformers shall not be charged to this account but to account 561, Line and Station Labor, or account 562, Line and Station Supplies and Expenses, as appropriate. The cost of line transformers used solely for street lighting or signal systems shall be included in account 373, Street Lighting and Signal Systems.

369 Services.

This account shall include the cost installed of all overhead and underground conductors leading from a point where wires leave the last pole of the overhead system or the distribution box or manhole, or the top of the pole of the distribution line, to the point of connection with the customer's outlet or wiring. Conduit used for underground service conductors shall be included herein.

ITEMS

1. Brackets.
2. Cables and wires.
3. Conduit.
4. Insulators.
5. Municipal inspection.
6. Overhead to underground, including conduit or standpipe and conductor from last splice on pole to connection with customer's wiring.
7. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
8. Permits.
9. Protection of street openings.
10. Service switch.
11. Suspension wire.

370 Meters.

A. This account shall include the cost installed of meters or devices and appurtenances thereto, for use in measuring the electricity delivered to its users; whether actually in service or held in reserve.

B. When a meter is permanently retired from service, the installed cost included herein shall be credited to this account.

C. The records covering meters shall be so kept that the utility can furnish information as to the number of meters of various capacities in service and in reserve as well as the location of each meter owned.

ITEMS

1. Alternating current watt-hour meters.
2. Current limiting devices.
3. Demand indicators.
4. Demand meters.
5. Direct current watt-hour meters.
6. Graphic demand meters.
7. Installation, labor of (first installation only).
8. Instrument transformers.
9. Maximum demand meters.
10. Meter badges and their attachments.
11. Meter boards and boxes.
12. Meter fittings, connections, and shelves (first set).
13. Meter switches and cut-outs.
14. Prepayment meters.
15. Protective devices.
16. Testing new meters.

NOTE A: This account shall not include meters for recording output of a generating station, substation meters, etc. It includes only those meters used to record energy delivered to customers.

NOTE B: The cost of removing and resetting meters shall be charged to account 566, Meter Expenses.

371 Installations on customers' premises.

This account shall include the cost installed of equipment on the customer's side of a meter when the utility incurs such cost and when the utility retains title to and assumes full responsibility for maintenance and replacement of such property. This account shall not include leased equipment for which see account 372, Leased Property on Customers' Premises.

ITEMS

1. Cable vaults.
2. Commercial lamp equipment.
3. Foundations and settings specially provided for equipment included herein.
4. Frequency changer sets.
5. Motor generator sets.
6. Motors.
7. Switchboard panels, high or low tension.
8. Wire and cable connections to incoming cables.

NOTE: Do not include in this account any costs incurred in connection with merchandising, jobbing, or contract work activities.

372 Leased property on customers' premises.

This account shall include the cost of electric motors, transformers, and other equipment on customers' premises (including municipal corporation), leased or loaned to customers, but not including property held for sale.

NOTE A: The cost of setting and connecting such appliances or equipment on the premises of customers and the cost of resetting or removal shall not be charged to this account but to operating expenses, account 567, Customer Installations Expenses.

NOTE B: Do not include in this account any costs incurred in connection with merchandising, jobbing, or contract work activities.

373 Street lighting and signal systems.

This account shall include the cost installed of equipment used wholly for public street and highway lighting or traffic, fire alarm, police, and other signal systems.

ITEMS

1. Armored conductors, buried or submarine, including insulators, insulating materials, splices, trenching, etc.
2. Automatic control equipment.
3. Conductors, overhead or underground, including lead or farbric covered, parkway cables, etc., including splices, insulators, etc.
4. Lamps, arc, incandescent, or other types, including glassware, suspension fixtures, brackets, etc.
5. Municipal inspection.
6. Ornamental lampposts.
7. Pavement disturbed, including cutting and replacing pavement, pavement base, and sidewalks.
8. Permits.
9. Posts and standards.
10. Protection of street openings.
11. Relays or time clocks.
12. Series contactors.
13. Switches.
14. Transformers, pole or underground.

5. GENERAL PLANT

389 Land and land rights.

This account shall include the cost of land and land rights used for utility purposes, the cost of which is not properly includible in other land and land rights

accounts. (See electric plant instruction 6.)

390 Structures and improvements.

This account shall include the cost in place of structures and improvements used for utility purposes, the cost of which is not properly includible in other structures and improvements accounts. (See electric plant instruction 7.)

391 Office furniture and equipment.

This account shall include the cost of office furniture and equipment owned by the utility and devoted to utility service, and not permanently attached to buildings, except the cost of such furniture and equipment which the utility elects to assign to other plant accounts on a functional basis.

ITEMS

1. Bookcases and shelves.
2. Desks, chairs, and desk equipment.
3. Drafting-room equipment.
4. Filing, storage, and other cabinets.
5. Floor covering.
6. Library and library equipment.
7. Mechanical office equipment, such as accounting machines, typewriters, etc.
8. Safes.
9. Tables.

392 Transportation equipment.

This account shall include the cost of transportation vehicles used for utility purposes.

ITEMS

1. Airplanes.
2. Automobiles.
3. Bicycles.
4. Electrical vehicles.
5. Motor trucks.
6. Motorcycles.
7. Repair cars or trucks.
8. Tractors and trailers.
9. Other transportation vehicles.

393 Stores equipment.

This account shall include the cost of equipment used for the receiving, shipping, handling, and storage of materials and supplies.

ITEMS

1. Chain falls.
2. Counters.
3. Cranes (portable).
4. Elevating and stacking equipment (portable).
5. Hoists.
6. Lockers.
7. Scales.
8. Shelving.
9. Storage bins.
10. Trucks, hand and power driven.
11. Wheelbarrows.

394 Tools, shop and garage equipment.

This account shall include the cost of tools, implements, and equipment used in construction, repair work, general shops and garages and not specifically provided for or includible in other accounts.

ITEMS

1. Air compressors.
2. Anvils.
3. Automobile repair shop equipment.
4. Battery charging equipment.
5. Belts, shafts and countershafts.
6. Boilers.
7. Cable pulling equipment.
8. Concrete mixers.
9. Drill presses.
10. Derricks.
11. Electric equipment.
12. Engines.
13. Forges.
14. Furnaces.
15. Foundations and settings specially constructed for and not expected to outlast the equipment for which provided.
16. Gas producers.
17. Gasoline pumps, oil pumps and storage tanks.
18. Greasing tools and equipment.
19. Hoists.
20. Ladders.
21. Lathes.
22. Machine tools.
23. Motor driven tools.
24. Motors.
25. Pipe threading and cutting tools.
26. Pneumatic tools.
27. Pumps.
28. Riveters.
29. Smithing equipment.
30. Tool racks.
31. Vises.
32. Welding apparatus.
33. Work benches.

395 Laboratory equipment.

This account shall include the cost installed of laboratory equipment used for general laboratory purposes and not specifically provided for or includible in other departmental or functional plant accounts.

ITEMS

1. Ammeters.
2. Current batteries.
3. Frequency changers.
4. Galvanometers.
5. Inductometers.
6. Laboratory standard millivolt meters.
7. Laboratory standard volt meters.
8. Meter-testing equipment.
9. Millivolt meters.
10. Motor generator sets.
11. Panels.
12. Phantom loads.
13. Portable graphic ammeters, voltmeters, and wattmeters.
14. Portable loading devices.
15. Potential batteries.
16. Potentiometers.
17. Rotating standards.
18. Standard cell, reactance, resistor, and shunt.
19. Switchboards.
20. Synchronous timers.
21. Testing panels.
22. Testing resistors.
23. Transformers.
24. Voltmeters.
25. Other testing, laboratory, or research equipment not provided for elsewhere.

396 Power operated equipment.

This account shall include the cost of power operated equipment used in construction or repair work exclusive of equipment includible in other accounts. Include, also, the tools and accessories acquired for use with such equipment and the vehicle on which such equipment is mounted.

ITEMS

1. Air compressors, including driving unit and vehicle.
2. Back filling machines.
3. Boring machines.
4. Bulldozers.
5. Cranes and hoists.
6. Diggers.
7. Engines.
8. Pile drivers.
9. Pipe cleaning machines.
10. Pipe coating or wrapping machines.
11. Tractors—Crawler type.
12. Trenchers.
13. Other power operated equipment.

NOTE: It is intended that this account include only such large units as are generally self-propelled or mounted on movable equipment.

397 Communication equipment.

This account shall include the cost installed of telephone, telegraph, and wireless equipment for general use in connection with utility operations.

ITEMS

1. Antennae.
2. Booths.
3. Cables.
4. Distributing boards.
5. Extension cords.
6. Gongs.
7. Hand sets, manual and dial.
8. Insulators.
9. Intercommunicating sets.
10. Loading coils.
11. Operators' desks.
12. Poles and fixtures used wholly for telephone or telegraph wire.
13. Radio transmitting and receiving sets.
14. Remote control equipment and lines.
15. Sending keys.
16. Storage batteries.
17. Switchboards.
18. Telautograph circuit connections.
19. Telegraph receiving sets.
20. Telephone and telegraph circuits.
21. Testing instruments.
22. Towers.
23. Underground conduit used wholly for telephone or telegraph wires and cable wires.

398 Miscellaneous equipment.

This account shall include the cost of equipment, apparatus, etc., used in the utility operations, which is not includible in any other account of this system of accounts.

ITEMS

1. Hospital and infirmary equipment.
2. Kitchen equipment.
3. Recreation equipment.
4. Radios.
5. Restaurant equipment.
6. Soda fountains.
7. Operators' cottage furnishings.
8. Other miscellaneous equipment.

NOTE: Miscellaneous equipment of the nature indicated above wherever practicable shall be included in the utility plant accounts on a functional basis.

399 Other tangible property.

This account shall include the cost of tangible utility plant not provided for elsewhere.

Income Accounts

1. UTILITY OPERATING INCOME

400 Operating revenues.
Operating expenses:
401 Operation expense.
402 Maintenance expense.
403 Depreciation expense.
404 Amortization of limited-term electric plant.
405 Amortization of other electric plant.
406 Amortization of electric plant acquisition adjustments.
407 Amortization of property losses.
408 Taxes other than income taxes.
409 Income taxes.
410 Provision for deferred income taxes.
411 Income taxes deferred in prior years—Credit.
Total operating expenses.
Operating income.
412–413 Income from electric plant leased to others.
414 Other utility operating income.
Total operating income.

2. OTHER INCOME

415–416 Income from merchandising, jobbing and contract work.
417 Income from nonutility operations.
418 Nonoperating rental income.
419 Interest and dividend income.
421 Miscellaneous nonoperating income.
Total other income.

3. MISCELLANEOUS INCOME DEDUCTIONS

425 Miscellaneous amortization.
426 Other income deductions.
Total income deductions.
Income before interest charges.

4. INTEREST CHARGES

427 Interest on long-term debt.
428 Amortization of debt discount and expense.
429 Amortization of premium on debt—Cr.
430 Interest on debt to associated companies.
431 Other interest expense.
432 Interest charged to construction—Cr.
Total interest charges.
Net income.

5. EARNED SURPLUS

216 Unappropriated earned surplus (at beginning of period).
433 Balance transferred from income.
434 Miscellaneous credits to surplus.
435 Miscellaneous debits to surplus.
436 Appropriations of surplus.
Net addition to earned surplus.
437 Dividends declared—Preferred stock.
438 Dividends declared—Common stock.
216 Unappropriated earned surplus (at end of period).

Income Accounts

1. UTILITY OPERATING INCOME

400 Operating revenues.

There shall be shown under this caption the total amount included in the electric operating revenue accounts provided herein.

401 Operation expense.

There shall be shown under this caption the total amount included in the electric operation expense accounts provided herein.

402 Maintenance expense.

There shall be shown under this caption the total amount included in the electric maintenance expense accounts provided herein.

403 Depreciation expense.

A. This account shall include the amount of depreciation expense for all classes of depreciable electric plant in service except such depreciation expense as is chargeable to clearing accounts or to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work.

B. The utility shall keep such records of property and property retirements as will reflect the service life of property which has been retired and aid in estimating probable service life by mortality, turnover, or other appropriate methods; and also such records as will reflect the percentage of salvage and cost of removal for property retired from each account, or subdivision thereof, for depreciable electric plant.

NOTE A: Depreciation expense applicable to property included in account 104, Electric Plant Leased to Others, shall be charged to account 413, Expenses of Electric Plant Leased to Others.

NOTE B: Depreciation expense applicable to transportation equipment, shop equipment, tools, work equipment, power operated equipment, and other general equipment may be charged to clearing accounts as necessary, in order to obtain a proper distribution of expenses between construction and operation.

404 Amortization of limited-term electric plant.

This account shall include amortization charges applicable to amounts included in the electric plant accounts for limited-term franchises, licenses, patent rights, limited-term interests in land, and expenditures on leased property where the service life of the improvements is terminable by action of the lease. The charges to this account shall be such as to distribute the book cost of each investment as evenly as may be over the period of its benefit to the utility. (See account 110, Accumulated Provision of Depreciation and Amortization of Electric Plant.)

405 Amortization of other electric plant.

A. When authorized by the Commission, this account shall include charges for amortization of intangible or other electric plant in service which does not have a definite or terminable life and which is not subject to charges for depreciation expense.

B. This account shall be supported in such detail as to show the amortization applicable to each investment being amortized, together with the book cost of the investment and the period over which it is being written off.

406 Amortization of electric plant acquisition adjustments.

This account shall be debited or credited, as the case may be, with amounts includible in operating expenses, pursuant to approval or order of the Commission, for the purpose of providing for the extinguishment of the amount in account 114, Electric Plant Acquisition Adjustments.

407 Amortization of property losses.

This account shall be charged with amounts credited to account 182, Extraordinary Property Losses, when the Commission has authorized the amount in the latter account to be amortized by charges to electric operations.

408 Taxes other than income taxes.

A. This account shall include the amount of ad valorem, gross revenue or gross receipts taxes, state unemployment insurance, franchise taxes, federal excise taxes, social security taxes, and all other taxes assessed by federal, state, county, municipal, or other local governmental authorities, which are properly chargeable to electric operations, except income taxes.

B. This account shall be charged with the amount of taxes which is applicable thereto, with concurrent credits to account 236, Taxes Accrued, or account 165, Prepayments, as appropriate. When it is not possible to determine the exact amount of taxes, the amount shall be estimated and adjustments made in current accruals as the actual tax levies become known.

C. The charges to this account shall be made or supported so as to show the amount of each tax and the basis upon which each charge is made. In the case of a utility rendering more than one utility service, taxes of the kind includible in this account shall be assigned directly to the utility department the operation of which gave rise to the tax in so far as practicable. Where the tax is not attributable to a specific utility department, it shall be distributed among the utility departments or nonutility operations on an equitable basis.

NOTE A: Taxes applicable to nonutility property or investments shall be charged to the account in which the income from the property or investments is included.

NOTE B: Special assessments for street and similar improvements shall be included in the appropriate utility plant or nonutility property account.

NOTE C: Taxes specifically applicable to construction shall be included in the cost of construction.

NOTE D: Taxes assumed by the utility on property leased from others for use in utility operations shall be charged to the appropriate rent expense or clearing account.

NOTE E: Gasoline and other sales taxes shall be charged as far as practicable to the same account as the materials on which the tax is levied.

NOTE F: Social Security and other forms of so-called pay roll taxes shall be distributed to utility departments and to nonutility functions on a basis related to pay roll. Amounts applicable to construction shall be charged to the appropriate plant account.

409 Income taxes.

A. This account shall include the amount of State and federal taxes on income properly accruable during the period covered by the income statement to meet the actual liability for such taxes. Concurrent credits for the tax accruals shall be made to account 236, Taxes Accrued, and as the exact amount of taxes becomes known, the current tax accruals shall be adjusted accordingly so that this account, as nearly as can be ascertained, shall include the actual taxes payable which are chargeable to utility operations.

B. The accruals for income taxes shall be apportioned among utility departments and nonutility operations so that, as nearly as practicable, each tax shall be included in the expenses of the utility department or nonutility operation the income from which gave rise to the tax.

NOTE A: Taxes assumed by the utility on interest shall be charged to account 431, Other Interest Expense.

NOTE B: Income taxes on income from electric plant leased to others shall be charged to account 413, Expenses of Electric Plant Leased to Others.

NOTE C: Where statutes or regulatory practices require that the profits or losses of merchandising, jobbing and contract work shall not be considered in arriving at rates to be charged for utility service, income taxes on income from merchandising, jobbing and contract work shall be charged to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work.

NOTE D: Income taxes on nonutility income shall be charged to the account in which the income is included. If the amount of nonutility income is relatively small, the allocation of income taxes thereto may be made annually.

NOTE E: Interest on tax refunds or deficiencies shall not be included in this account but in account 419, Interest and Dividend Income, or account 431, Other Interest Expense, as appropriate.

410 Provision for deferred income taxes.

This account shall be debited, and Accumulated Deferred Income Taxes shall be credited with an amount equal to any deferral of taxes on income as provided by the texts of accounts 281, 282 and 283. There shall not be netted against entries required to be made to this account any credit amounts appropriately includible in account 411, Income Taxes Deferred in Prior Years—Credit.

411 Income taxes deferred in prior years—Credit.

This account shall be credited and Accumulated Deferred Income Taxes debited with an amount equal to the portion of taxes on income payable for the year that is attributable to a deferral of taxes on income in a prior year, in accordance with the plan of deferred tax accounting provided by the texts of accounts 281, 282, and 283. There shall not be netted against entries required to be made to this account any debit amounts appropriately includible in account 410, Provision for Deferred Income Taxes.

412 Revenues from electric plant leased to others.

413 Expenses of electric plant leased to others.

A. These accounts shall include, respectively, revenues from electric property constituting a distinct operating unit or system leased by the utility to others, and which property is properly includible in account 104, Electric Plant Leased to Others, and the expenses attributable to such property.

B. The detail of expenses shall be kept or supported so as to show separately the following:

Operation.
Maintenance.
Rents.
Depreciation.
Amortization.
Taxes Other Than Income Taxes.
Income Taxes.

414 Other utility operating income.

A. This account shall include the revenues received and expenses incurred in connection with the operations of utility plant, the book cost of which is included in account 118, Other Utility Plant.

B. The expenses shall include every element of cost incurred in such operations, including depreciation, rents, taxes, and insurance.

2. OTHER INCOME

415 Revenues from merchandising, jobbing and contract work.

416 Costs and expenses of merchandising, jobbing and contract work.

A. These accounts shall include, respectively, all revenues derived from the sale of merchandise and jobbing or contract work, including any profit or commission accruing to the utility on jobbing work performed by it as agent under contracts whereby it does jobbing work for another for a stipulated profit or commission, and all expenses incurred in such activities.

B. Records in support of these accounts shall be so kept as to permit ready summarization of revenues, costs and expenses by such major items as are feasible.

NOTE: Revenues and expenses of merchandising, jobbing and contract work shall be reported in these accounts, if a state regulatory body having jurisdiction over the utility requires the net income to be reported as other income; but the revenues and expenses shall be reported in accounts 914, Revenues from Merchandising, Jobbing and Contract Work, and 915, Costs and Expenses of Merchandising, Jobbing and Contract Work, if such regulatory body requires the net income to be reported as an operating income or expense item. In the absence of a requirement by a state regulatory body, the utility may use these accounts or accounts 914 and 915 at its option, in which case the practice of the utility must be consistent.

ITEMS

Account 415:

1. Revenues from sale of merchandise and from jobbing and contract work.
2. Discounts and allowances made in settlement of bills for merchandise and jobbing work.

Account 416:

Labor—

1. Canvassing and demonstrating appliances in homes and other places for the purpose of selling appliances.
2. Demonstrating and selling activities in sales rooms.
3. Installing appliances on customer premises where such work is done only for purchasers of appliances from the utility.
4. Installing wiring, piping, or other property work, on a jobbing on contract basis.
5. Preparing advertising materials for appliance sales purposes.
6. Receiving and handling customer orders for merchandise or for jobbing services.
7. Cleaning and tidying sales rooms.
8. Maintaining display counters and other equipment used in merchandising.
9. Arranging merchandise in sales rooms and decorating display windows.
10. Reconditioning repossessed appliances.
11. Bookkeeping and other clerical work in connection with merchandise and jobbing activities.
12. Supervising merchandise and jobbing operations.

Materials and Expenses—

13. Advertising in newspapers, periodicals, radio, television, etc.
14. Cost of merchandise sold and of materials used in jobbing work.
15. Stores expenses on merchandise and jobbing stocks.
16. Fees and expenses of advertising and commercial artists' agencies.
17. Printing booklets, dodgers, and other advertising data.
18. Premiums given as inducement to buy appliances.
19. Light, heat, and power.
20. Depreciation on equipment used primarily for merchandise and jobbing operations.
21. Rent of sales rooms or of equipment.
22. Transportation expense in delivery and pick-up of appliances by utility's facilities or by others.
23. Stationery and office supplies and expenses.
24. Taxes directly assignable to merchandise and jobbing operations including income taxes on net income derived therefrom.
25. Losses from uncollectible merchandise and jobbing accounts.

417 Income from nonutility operations.

A. This account shall include revenues and expenses applicable to operations which are nonutility in character but nevertheless constitute a distinct operating activity of the enterprise as a whole, such as the operation of an ice department where applicable statutes do not define such operation as a utility, or the operation of a servicing organization for furnishing supervision, management, engineering, and similar services to others.

B. The expenses shall include all elements of costs incurred in such operations, and the accounts shall be maintained so as to permit ready summarization as follows:

Operation.
Maintenance.
Rents.
Depreciation.
Amortization.
Taxes Other Than Income Taxes.
Income Taxes.

418 Nonoperating rental income.

A. This account shall include all rent revenues and related expenses of land, buildings, or other property included in account 121, Nonutility Property, which is not used in operations covered by account 417.

B. The expenses shall include all elements of costs incurred in the ownership and rental of the property and the accounts shall be maintained so as to permit ready summarization as follows:

Operation.
Maintenance.
Rents.
Depreciation.
Amortization.
Taxes Other Than Income Taxes.
Income Taxes.

419 Interest and dividend income.

A. This account shall include interest revenues on securities, loans, notes, advances, special deposits, tax refunds and all other interest-bearing assets, and dividends on stocks of other companies, whether the securities on which the interest and dividends are received are carried as investments or included in sinking or other special fund accounts.

B. If any interest or dividends are required to be retained in a special fund and the fund is represented by a reserve, the amount of such accretion to the fund shall concurrently be credited to the appropriate reserve account and charged to account 436, Appropriations of Surplus.

C. This account may include the pro rata amount necessary to extinguish (during the interval between the date of acquisition and the date of maturity) the difference between the cost to the utility and the face value of interest-bearing securities. Amounts thus credited or charged shall be concurrently included in the accounts in which the securities are carried.

D. Where significant in amount, expenses, including operating taxes and income taxes, applicable to security investments and to interest and dividend

revenues thereon shall be charged hereto.

NOTE: Interest accrued, the payment of which is not reasonably assured, dividends receivable which have not been declared or guaranteed, and interest or dividends upon reacquired securities issued or assumed by the utility shall not be credited to this account.

421 Miscellaneous nonoperating income.

This account shall include all revenue and expense items properly includible in the income account and not provided for elsewhere.

ITEMS

1. Profit on sale of timber. (See electric plant instruction 6, C.)
2. Profits from operations of others realized by the utility under contracts.

3. MISCELLANEOUS INCOME DEDUCTIONS

425 Miscellaneous amortization.

This account shall include amortization charges not includible in other accounts which are properly deductible in determining the income of the utility before interest charges. Charges includible herein, if significant in amount, must be in accordance with an orderly and systematic amortization program. Similar charges made irregularly without a definite program, or which are dependent upon the amount of net income shall be charged to account 435, Miscellaneous Debits to Surplus.

ITEMS

1. Amortization of utility plant acquisition adjustments, or of intangibles included in utility plant in service when not authorized to be included in utility operating expenses by the Commission.
2. Amortization of amounts in account 182, Extraordinary Property Losses, when not authorized to be included in utility operating expenses by the Commission.
3. Amortization of capital stock discount or expenses when in accordance with a systematic amortization program.

426 Other income deductions.

This account shall include miscellaneous expense items which are nonoperating in nature but which are properly deductible before determining total income before interest charges.

ITEMS

1. Donations for charitable, social or community welfare purposes.
2. Life insurance of officers and employees where utility is beneficiary (net premiums less increase in cash surrender value of policies).
3. Penalties or fines for violation of statutes pertaining to regulation.

NOTE: The classification of expenses as nonoperating and their inclusion in this account is for accounting purposes. It does not preclude Commission consideration of proof to the contrary for ratemaking or other purposes.

4. INTEREST CHARGES

427 Interest on long-term debt.

A. This account shall include the amount of interest on outstanding long-term debt issued or assumed by the utility, the liability for which is included in account 221, Bonds, or account 224, Other Long-Term Debt.

B. This account shall be so kept or supported as to show the interest accruals on each class and series of long-term debt.

NOTE: This account shall not include interest on nominally issued or nominally outstanding long-term debt, including securities assumed.

428 Amortization of debt discount and expense.

A. This account shall include the amortization of unamortized debt discount and expense on outstanding long-term debt. Amounts charged to this account shall be credited concurrently to account 181, Unamortized Debt Discount and Expense.

B. This account shall be so kept or supported as to show the debt discount and expense on each class and series of long-term debt.

429 Amortization of premium on debt—Cr.

A. This account shall include the amortization of unamortized net premium on outstanding long-term debt. Amounts credited to this account shall be charged concurrently to account 251, Unamortized Premium on Debt.

B. This account shall be so kept or supported as to show the premium on each class and series of long-term debt.

430 Interest on debt to associated companies.

A. This account shall include the interest accrued on amounts included in account 223, Advances from Associated Companies, and on all other obligations to associated companies.

B. The records supporting the entries to this account shall be so kept as to show to whom the interest is to be paid, the period covered by the accrual, the rate of interest and the principal amount of the advances or other obligations on which the interest is accrued.

431 Other interest expense.

This account shall include all interest charges not provided for elsewhere.

ITEMS

1. Interest on notes payable on demand or maturing one year or less from date and on open accounts, except notes and accounts with associated companies.
2. Interest on customers' deposits.
3. Interest on claims and judgments, tax assessments, and assessments for public improvements past due.
4. Income and other taxes levied upon bondholders of utility and assumed by it.

432 Interest charged to construction—Cr.

This account shall include concurrent credits for interest charged to construction based upon the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate upon other funds when so used. No interest shall be capitalized on plant which is completed and ready for service.

5. EARNED SURPLUS

433 Balance transferred from income.

This account shall include the net credit or debit transferred from income for the year.

434 Miscellaneous credits to surplus.

This account shall include credits affecting earned surplus not provided for elsewhere. If an amount otherwise required by the uniform system of accounts to be credited to this account is not significant with respect to net income determination for the year, it may be credited to the appropriate non-operating income account. All items included in this account shall be sufficiently described in the entries relating thereto as to permit ready analysis.

ITEMS

1. Delayed credits.
2. Profit on reacquisition and resale or retirement of utility's debt securities.
3. Profit on sale of property or investments.

435 Miscellaneous debits to surplus.

This account shall include amounts chargeable to earned surplus but not provided for elsewhere. If an amount otherwise required by the uniform system of accounts to be charged to this account is not significant with respect to net income determination for the year, it may be charged to the appropriate non-operating income deduction account. All items included in this account shall be sufficiently described in the entries relating thereto as to permit ready analysis.

ITEMS

1. Decline in value of investments.
2. Delayed debits.
3. Loss on reacquisition and resale or retirement of utility's debt securities.
4. Provision for past accrued depreciation not provided for.
5. Long-term debt discount or expense written off.
6. Loss on sale of property or investments.
7. Write-off of utility plant acquisition adjustments or of intangibles when not done under an orderly systematic program indicating the propriety of inclusion of the annual charges in account 425, Miscellaneous Amortization.
8. Preliminary survey and investigation expenses on abandoned projects.
9. Income taxes, both state and federal, occasioned by items included in account 434, Miscellaneous Credits to Surplus.
10. Charges from retirement or resale of reacquired capital stock.

436 Appropriations of surplus.

This account shall include appropriations of earned surplus for purposes not provided for elsewhere.

ITEMS

1. Appropriations of income required under terms of mortgages, orders of courts, contracts or other agreements.
2. Appropriations of income required by action of regulatory authorities.
3. Miscellaneous appropriations of income made at option of utility for specified purposes.

437 Dividends declared—Preferred stock.

A. This account shall include amounts declared payable out of earned surplus as dividends on actually outstanding preferred or prior lien capital stock issued by the utility.

B. Dividends shall be segregated for each class and series of preferred stock as to those payable in cash, stock and other forms. If not payable in cash, the

medium of payment shall be described with sufficient particularity to identify it.

438 Dividends declared—Common stock.

A. This account shall include amounts declared payable out of earned surplus as dividends on actually outstanding common capital stock issued by the utility.

B. Dividends shall be segregated for each class of common stock as to those payable in cash, stock and other forms. If not payable in cash, the medium of payment shall be described with sufficient particularity to identify it.

Operating Revenue Accounts

1. Sales of Electricity

440 Residential sales.
442 Commercial and industrial sales.
444 Public street and highway lighting.
447 Sales for resale.
448 Interdepartmental sales.
449 Other sales.

2. Other Operating Revenues

450 Forfeited discounts.
451 Miscellaneous service revenues.
453 Sales of water and water power.
454 Rent from electric property.
455 Interdepartmental rents.
456 Other electric revenues.

Operating Revenue Accounts

1. Sales of Electricity

440 Residential sales.

A. This account shall include the net billing for electricity supplied for residential or domestic purposes.

B. Records shall be maintained so that the quantity of electricity sold and the revenue received under each rate schedule shall be readily available.

Note: When electricity supplied through a single meter is used for both residential and commercial purposes, the total revenue shall be included in this account, or account 442, Commercial and Industrial Sales, according to the rate schedule which is applied. If the same rate schedules apply to residential as to commercial and industrial service, classification shall be made according to principal use.

442 Commercial and industrial sales.

A. This account shall include the net billing for electricity supplied to customers for commercial and industrial purposes.

B. Records shall be maintained so that the quantity of electricity sold and the revenue received under each rate schedule shall be readily available. Records shall be maintained also so as to show separately the revenues from commercial and industrial customers (a) which have demands generally of 1000 kw or more, and (b) those which have demands generally less than 1000 kw. Reasonable deviations above or below the 1000 kw demand are permissible in order that transfers of customers between the two classes during the year may be minimized.

Note A: If the utility classifies large commercial and industrial customers and related revenues on a lesser basis than 1000 kilowatts of demand, or segregates industrial customers and related revenues according to a recognized definition of an industrial customer, such classifications are acceptable in lieu of those otherwise required by the text of this account on the basis of 1000 kilowatts of demand.

Note B: When electricity supplied through a single meter is used for both commercial and residential purposes, the total revenue shall be included in this account, or in account 440, Residential Sales, according to the rate schedule which is applied. If the same rate schedules apply to residential as to commercial and industrial service, classification shall be made according to the principal use.

444 Public street and highway lighting.

A. This account shall include the net billing for electricity supplied and services rendered for the purposes of lighting streets, highways, parks and other public places, or for traffic or other signal system service, for municipalities or other divisions or agencies of state or federal governments.

B. Records shall be maintained so that the quantity of electricity sold and the revenue received from each customer shall be readily available. In addition, the records shall be maintained so as to show the revenues from (a) contracts which include both electricity and services, and (b) contracts which include sales of electricity only.

447 Sales for resale.

A. This account shall include the net billing for electricity supplied to other electric utilities or to public authorities for resale purposes.

B. Records shall be maintained so as to show the quantity of electricity sold and the revenue received from each customer. (See account 545, Purchased Power, for credits includible herein arising from exchange, pooling or interconnection arrangements.)

Note: Revenues from electricity supplied to other public utilities for use by them and not for distribution, shall be included in account 442, Commercial and Industrial Sales, unless supplied under the same contract as and not readily separable from revenues includible in this account.

448 Interdepartmental sales.

A. This account shall include amounts charged by the electric department at tariff or other specified rates for electricity supplied by it to other utility departments.

B. Records shall be maintained so that the quantity of electricity supplied each other department and the charges therefor shall be readily available.

449 Other sales.

A. This account shall include revenues for electricity supplied which are not provided for elsewhere.

B. Records shall be maintained so as to show the quantity of electricity sold and the revenues received from each customer.

2. Other Operating Revenues

450 Forfeited discounts.

This account shall include the amount of discounts forfeited or additional charges imposed because of the failure of customers to pay their electric bills on or before a specified date.

451 Miscellaneous service revenues.

This account shall include revenues for all miscellaneous services and charges billed to customers which are not specifically provided for in other accounts.

Items

1. Fees for changing, connecting or disconnecting service.
2. Profit on maintenance of appliances, wiring, piping or other installations on customers' premises.
3. Net credit or debit (cost less net salvage and less payment from customers) on closing of work orders for plant installed for temporary service of less than one year.
4. Recovery of expenses in connection with current diversion cases (billing for the electricity consumed shall be included in the appropriate electric revenue account).

453 Sales of water and water power.

A. This account shall include revenues derived from the sale of water for irrigation, domestic, industrial or other uses, or for the development by others of water power, or for headwater improvements; also, revenues derived from furnishing water power for mechanical purposes when the investment in the property used in supplying such water or water power is carried as electric plant in service.

B. The records for this account shall be kept in such manner as to permit an analysis of the rates charged and the purposes for which the water was used.

454 Rent from electric property.

A. This account shall include rents received for the use by others of land, buildings, and other property devoted to electric operations by the utility.

B. When property owned by the utility is operated jointly with others under a definite arrangement for apportioning the actual expenses among the parties to the arrangement, any amount received by the utility for interest or return or in reimbursement of taxes or depreciation on the property shall be credited to this account.

Note. Do not include in this account rents from property constituting an operating unit or system. (See account 412, Revenues from Electric Plant Leased to Others.)

455 Interdepartmental rents.

This account shall include rents credited to the electric department on account of rental charges made against other departments (gas, water, etc.) of the utility. In the case of property operated under a definite arrangement to allocate the costs among the departments using the property, any reimbursement to the electric department for interest or return and depreciation and taxes shall be credited to this account.

456 Other electric revenues.

This account shall include revenues derived from electric operations not includible in any of the foregoing accounts.

Items

1. Commission on sale or distribution of electricity of others when sold under rates filed by such others.
2. Compensation for minor or incidental services provided for others such as customer billing, engineering, etc.
3. Profit or loss on sale of material and supplies not ordinarily purchased for resale

and not handled through merchandising and jobbing accounts.

4. Sale of steam, but not including sales made by a steam-heating department or transfers of steam under joint facility operations.

Operation and Maintenance Expense Accounts

1. POWER PRODUCTION EXPENSES

A. STEAM POWER GENERATION

Operation

500 Operation supervision and labor.
501 Fuel.
502 Operation supplies and expenses.
503 Steam from other sources.
504 Steam transferred—Cr.
505 Rents.

Maintenance

506 Maintenance of steam production plant.

B. HYDRAULIC POWER GENERATION

Operation

530 Operation supervision and labor.
531 Water for power.
532 Operation supplies and expenses.
533 Rents.

Maintenance

535 Maintenance of hydraulic production plant.

C. OTHER POWER GENERATION

Operation

538 Operation supervision and labor.
539 Fuel.
540 Operation supplies and expenses.
541 Rents.

Maintenance

543 Maintenance of other power production plant.

D. OTHER POWER SUPPLY EXPENSES

Operation

545 Purchased power.
546 Other expenses.

2. TRANSMISSION EXPENSES

Operation

550 Operation supervision and labor.
551 Operation supplies and expenses.
552 Rents.

Maintenance

553 Maintenance of transmission plant.

3. DISTRIBUTION EXPENSES

Operation

560 Operation supervision expenses.
561 Line and station labor.
562 Line and station supplies and expenses.
565 Street lighting and signal system expenses.
566 Meter expenses.
567 Customer installations expenses.
569 Miscellaneous distribution expenses.
570 Rents.

Maintenance

571 Maintenance of structures and equipment.
572 Maintenance of lines.
573 Maintenance of line transformers.
574 Maintenance of street lighting and signal systems.
575 Maintenance of meters.
576 Maintenance of miscellaneous distribution plant.

4. CUSTOMER ACCOUNTS EXPENSES

Operation

901 Meter reading labor.
902 Accounting and collecting labor.
903 Supplies and expenses.
904 Uncollectible accounts.

5. SALES EXPENSES

Operation

910 Sales expenses.
914 Revenues from merchandising, jobbing and contract work.
915 Costs and expenses of merchandising, jobbing and contract work.

6. ADMINISTRATIVE AND GENERAL EXPENSES

Operation

920 Administrative and general salaries.
921 Office supplies and expenses.
922 Administrative expenses transferred—Cr.
923 Outside services employed.
924 Property insurance.
925 Injuries and damages.
926 Employee pensions and benefits.
927 Franchise requirements.
928 Regulatory commission expenses.
929 Duplicate charges—Cr.
930 Miscellaneous general expenses.
931 Rents.
933 Transportation expenses.

Maintenance

935 Maintenance of general plant.

Operation and Maintenance Expense Accounts

1. POWER PRODUCTION EXPENSES

A. STEAM POWER GENERATION

Operation

500 Operation supervision and labor.

This account shall include the cost of supervision and labor in the operation of steam power generating stations.

ITEMS

Boiler Room Labor:
1. Supervising steam production.
2. Operating fuel conveying, storage, weighing and processing equipment within boiler plant.
3. Operating boiler and boiler auxiliary equipment.
4. Operating boiler feed water purification and treatment equipment.
5. Operating ash collecting and disposal equipment located inside the plant.
6. Operating boiler plant electrical equipment.
7. Keeping boiler plant log and records and preparing reports on boiler plant operations.
8. Testing boiler water.
9. Testing, checking, and adjusting meters, gauges and other instruments in boiler plant.
10. Cleaning boiler plant equipment when not incidental to maintenance work.
11. Repacking glands and replacing gauge glasses where the work involved is of a minor nature and is performed by regular operating crews. Where the work is of a major character such as that performed on high pressure boilers the item should be considered as maintenance.

Electric Plant Labor:
12. Supervising electric production.
13. Operating turbines, engines, generators and exciters.
14. Operating condensers, circulating water systems and other auxiliary apparatus.
15. Operating generator cooling system.
16. Operating lubrication and oil control system, including oil purification.
17. Operating switchboards, switch gear and electric control and protective equipment.
18. Keeping electric plant log and records and preparing reports on electric plant operations.
19. Testing, checking and adjusting meters, gauges, and other instruments, relays, controls and other equipment in electric plant.
20. Cleaning electric plant equipment when not incidental to maintenance work.
21. Repacking glands and replacing gauge glasses.

Miscellaneous Labor:
23. General clerical and stenographic work at plant.
23. Guarding and patrolling plant and yard.
24. Building service.
25. Care of grounds including snow removal, cutting grass, etc.
26. Miscellaneous labor.

501 Fuel.

A. This account shall include the cost of fuel used in the production of steam for the generation of electricity, including expenses in unloading fuel from the shipping media and handling thereof up to the point where the fuel enters the first boiler plant bunker, hopper, bucket, tank or holder of the boiler house structure. Records shall be maintained to show the quantity, B.T.U. content and cost of each type of fuel used.

B. The cost of fuel shall be charged initially to appropriate fuel accounts carried under account 150, Materials and Supplies, and cleared to this account on the basis of the fuel used. Fuel handling expenses may be charged to this account as incurred or charged initially to an appropriate subaccount of account 150, Materials and Supplies. In the latter event, they shall be cleared to this account on the basis of the fuel used. Respective amounts of fuel stock and fuel stock expenses shall be readily available.

ITEMS

Labor:
1. Supervising purchasing and handling of fuel.
2. All routine fuel analyses.
3. Unloading from shipping facility and putting in storage.
4. Moving of fuel in storage and transferring fuel from one station to another.
5. Handling from storage or shipping facility to first bunker, hopper, bucket, tank or holder of boiler house structure.
6. Operation of mechanical equipment, such as locomotives, trucks, cars, boats, barges, cranes, etc.

Materials and Expenses:
7. Cost of fuel including freight, switching, demurrage and other transportation charges.
8. Excise taxes, insurance, purchasing commissions and similar items.
9. Stores expenses to extent applicable to fuel.
10. Transportation and other expenses in moving fuel in storage.
11. Tools, lubricants, and other supplies.
12. Operating supplies for mechanical equipment.
13. Residual disposal expenses less any proceeds from sale of residuals.

NOTE: Abnormal fuel handling expenses occasioned by emergency conditions shall be charged to expense as incurred.

502 Operation supplies and expenses.

This account shall include the cost of materials used and expenses incurred in the operation of steam power generating stations.

ITEMS

1. Chemicals and boiler inspection fees.
2. Lubricants and control system oils.
3. Boiler feed water purchased and pumping supplies.
4. Generator cooling gases.
5. Circulating water purification supplies.
6. Cooling water purchased.

7. Motor and generator brushes.
8. General operating supplies, such as tools, gaskets, packing waste, gauge glasses, hose, indicating lamps, record and report forms, etc.
9. First-aid supplies and safety equipment.
10. Employees' service facilities expenses.
11. Building service supplies.
12. Communication service.
13. Miscellaneous office supplies and expenses, printing and stationery.
14. Transportation expenses.
15. Meals, traveling and incidental expenses.

503 Steam from other sources.

This account shall include the cost of steam purchased, or transferred from another department of the utility or from others under a joint facility operating arrangement, for use in prime movers devoted to the production of electricity.

NOTE: The records shall be so kept as to show separately for each company from which steam is purchased, the point of delivery, the quantity, the price, and the total charge. When steam is transferred from another department or from others under a joint operating arrangement, the utility shall be prepared to show full details of the cost of producing such steam, the basis of the charge to electric generation and the extent and manner of use by each department or party involved.

504 Steam transferred—Cr.

A. This account shall include credits for expenses of producing steam which are charged to others or to other utility departments under a joint operating arrangement. Include also credits for steam expenses chargeable to other electric accounts outside of the steam generation group. Full details of the basis of the determination of the cost of steam transferred shall be maintained.

B. If the charges to others or to other departments of the utility include an amount for depreciation, taxes and return on the joint steam facilities, such portion of the charge shall be credited, in the case of others, to account 454, Rent from Electric Property, and in the case of other departments of the utility, to account 455, Interdepartmental Rents.

505 Rents.

This account shall include all rents of property of others used, occupied or operated in connection with steam power generation. (See operating expense instruction 2.)

Maintenance

506 Maintenance of steam production plant.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of steam production plant the book cost of which is includible in plant accounts 311 to 316, inclusive. (See operating expense instruction 1.)

B. HYDRAULIC POWER GENERATION

Operation

530 Operation supervision and labor.

This account shall include the cost of supervision and labor in the operation of hydraulic power generating stations.

ITEMS

Hydraulic Labor:
1. Supervising hydraulic operation.
2. Removing debris and ice from trash racks, reservoirs and waterways.
3. Patrolling reservoirs and waterways.
4. Operating intakes, spillways, sluiceways, and outlet works.
5. Operating bubbler, heater or other deicing systems.
6. Ice and log jam work.
7. Operating navigation facilities.
8. Operations relating to conservation of game, fish, forests, etc.
9. Insect control activities.

Electric Labor:
10. Supervising electric production.
11. Operating prime movers, generators and auxiliary equipment.
12. Operating generator cooling system.
13. Operating lubrication and oil control systems, including oil purification.
14. Operating switchboards, switchgear, and electric control and protection equipment.
15. Keeping plant log and records and preparing reports on plant operations.
16. Testing, checking and adjusting meters, gauges, and other instruments, relays, controls, and other equipment in the plant.
17. Cleaning plant equipment when not incidental to maintenance work.
18. Repacking glands.

Miscellaneous Labor:
19. General clerical and stenographic work.
20. Guarding and patrolling plant and yard.
21. Building service.
22. Care of grounds, including snow removal, cutting grass, etc.
23. Snow removal from roads and bridges.
24. Miscellaneous labor.

531 Water for power.

This account shall include the cost of water used for hydraulic power generation.

ITEMS

1. Cost of water purchased from others, including water tolls paid reservoir companies.
2. Periodic payments for licenses or permits from any governmental agency for water rights, or payments based on the use of the water.
3. Periodic payments for riparian rights.
4. Periodic payments for headwater benefits or for detriments to others.
5. Cloud seeding.

532 Operation supplies and expenses.

This account shall include the cost of materials used and expenses incurred in the operation of hydraulic power generating stations.

ITEMS

1. Insect control materials.
2. Lubricants, packing, and other supplies used in operation of hydraulic equipment.
3. Supplies and expenses in conservation of game, fish, forests, etc.
4. Transportation expense.
5. Control system oils.
6. Motor and generator brushes.
7. General operating supplies, such as tools, gaskets, packing, waste hose, indicating lamps, record and report forms, etc.
8. First-aid supplies and safety equipment.
9. Employees' service facilities expenses.
10. Building service supplies.
11. Communication service.
12. Office supplies, printing and stationery.
13. Transportation expenses.
14. Fuel.
15. Meals, traveling and incidental expenses.

533 Rents.

This account shall include all rents of property of others used, occupied or operated in connection with hydraulic power generation, including amounts payable to the United States for the occupancy of public lands and reservations for reservoirs, dams, flumes, forebays, penstocks, power houses, etc., but not including transmission right of way. (See operating expense instruction 2.)

Maintenance

535 Maintenance of hydraulic production plant.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of hydraulic production plant the book cost of which is includible in plant accounts 331 to 336, inclusive. (See operating expense instruction 1.)

C. OTHER POWER GENERATION

Operation

538 Operation supervision and labor.

This account shall include the cost of supervision and labor in the operation of other power generating stations.

ITEMS

Generating Labor:
1. Supervising other power generation operation.
2. Operating prime movers, generators and auxiliary apparatus and switching and other electric equipment.
3. Keeping plant log and records and preparing reports on plant operations.
4. Testing, checking, cleaning, oiling and adjusting equipment.

Miscellaneous Labor:
5. General clerical and stenographic work.
6. Guarding and patrolling plant and yard.
7. Building service.
8. Care of grounds, including snow removal, cutting grass, etc.
9. Miscellaneous labor.

539 Fuel.

This account shall include the cost delivered at the station (see account 150, Materials and Supplies) of all fuel, such as gas, oil, kerosene, and gasoline used in other power generation.

540 Operation supplies and expenses.

This account shall include the cost of materials used and expenses incurred in the operation of other power generating stations.

ITEMS

1. Dynamo, motor, and generator brushes.
2. Lubricants and control system oils.
3. Water for cooling engines and generators.
4. Building service supplies.
5. First-aid supplies and safety equipment.
6. Communication service.
7. Employees' service facilities expenses.
8. Office supplies, printing and stationery.
9. Transportation expense.
10. Meals, traveling and incidental expenses.
11. Fuel for heating.
12. Water for fire protection or general use.
13. Miscellaneous supplies, such as hand tools, drills, saw blades, files, etc.

541 Rents.

This account shall include all rents of property of others used, occupied, or operated in connection with other power

generation. (See operating expense instruction 2.)

Maintenance

543 Maintenance of other power production plant.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of other power generation plant, the book cost of which is includible in plant accounts 341 to 346, inclusive. (See operating expense instruction 1.)

D. OTHER POWER SUPPLY EXPENSES

Operation

545 Purchased power.

A. This account shall include the cost at point of receipt by the utility of electricity purchased for resale. It shall include, also, net settlements for exchange of electricity or power, such as economy energy, off-peak for on-peak energy, spinning reserve capacity, etc. In addition, the account shall include the net settlements for transactions under pooling or interconnection agreements wherein there is a balancing of debits and credits for energy, capacity, etc. Distinct purchases and sales shall not be recorded as exchanges and net amounts only recorded merely because debit and credit amounts are combined in the voucher settlement.

B. The records supporting this account shall show, by months, the demands and demand charges, kilowatt-hours and prices thereof, under each purchase contract and the charges and credits under each exchange or power pooling contract.

546 Other expenses.

A. This account shall be charged with any production expenses, including expenses incurred directly in connection with the purchase of electricity, which are not specifically provided for in other production expense accounts. Charges to this account shall be supported so that a description of each type of charge will be readily available.

B. Recoveries from insurance companies, under use and occupancy provisions of policies, of amounts in reimbursement of excessive or added production costs for which the insurance company is liable under the terms of the policy shall be credited to this account.

2. TRANSMISSION EXPENSES

Operation

550 Operation supervision and labor.

This account shall include the cost of supervision and labor in the operation of the transmission system.

ITEMS

Load Dispatching Labor:
1. Directing switching.
2. Arranging and controlling clearances for construction, maintenance, test and emergency purposes.
3. Controlling system voltages.
4. Obtaining reports on the weather and special events.
5. Preparing operating reports and data for billing and budget purposes.

Station Labor:
6. Supervising station operation.
7. Adjusting station equipment where such adjustment primarily affects performance, such as regulating the flow of cooling water, adjusting current in fields of a machine or changing voltage of regulators, changing station transformer taps.
8. Inspecting, testing and calibrating station equipment for the purpose of checking its performance.
9. Keeping station log and records and preparing reports on station operation.
10. Operating switching and other station equipment.
11. Standing watch, guarding, and patrolling station and station yard.
12. Sweeping, mopping, and tidying station.
13. Care of grounds, including snow removal, cutting grass, etc.

Line Labor:
14. Supervising line operation.
15. Inspecting and testing lightning arresters, circuit breakers, switches, and grounds.
16. Load tests of circuits.
17. Routine line patrolling.
18. Routine voltage surveys made to determine the condition or efficiency of transmission system.
19. Transferring loads, switching and reconnecting circuits and equipment for operating purposes. (Switching for construction or maintenance purposes is not includible in this account.)
20. Routine inspection and cleaning of manholes, conduit, network and transformer vaults.
21. Electrolysis surveys.
22. Inspecting and adjusting line testing equipment such as voltmeters, ammeters, wattmeters, etc.
23. Regulation and addition of oil or gas in high voltage cable systems.

Miscellaneous Labor:
24. General records of physical characteristics of lines and stations, such as capacities, etc.
25. Ground resistance records.
26. Janitor work at transmission office buildings, including care of grounds, snow removal, cutting grass, etc.
27. Joint pole maps and records.
28. Line load and voltage records.
29. Preparing maps and prints.
30. General clerical and stenographic work.
31. Miscellanequs labor.

551 Operation supplies and expenses.

This account shall include the cost of materials used and expenses incurred in the operation of the transmission system.

ITEMS

1. Building service expenses.
2. Operating supplies, such as lubricants, commutator brushes, water, and rubber goods.
3. Station meter and instrument supplies, such as ink and charts.
4. Station record and report forms.
5. Communication service.
6. First-aid supplies.
7. Tool expense.
8. Transportation expenses.
9. Meals, traveling, and incidental expenses.

552 Rents.

This account shall include rents of property of others used, occupied, or operated in connection with the transmission system, including payments to the United States and others for use of public or private lands and reservations for transmission line rights of way. (See operating expense instruction 2.)

Maintenance

553 Maintenance of transmission plant.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of transmission plant the book cost of which is includible in plant accounts 351 to 359, inclusive. (See operating expense instruction 1.)

ITEMS

1. Work of the following character on poles, towers and fixtures:
a. Installing or removing additional clamps or strain insulators on guys in place.
b. Moving line or guy pole in relocation of the same pole or section of line.
c. Painting poles, towers, crossarms or pole extensions.
d. Readjusting and changing position of guys or braces.
e. Realigning and straightening poles, crossarms, braces and other pole fixtures.
f. Reconditioning reclaimed pole fixtures.
g. Relocating crossarms, racks, brackets, and other fixtures on poles.
h. Repairing or realigning pins, racks, or brackets.
i. Repairing pole supported platform.
j. Repairs by others to jointly owned poles.
k. Shaving, cutting rot, or treating poles or crossarms in use or salvaged for reuse.
l. Stubbing poles already in service.
m. Supporting fixtures and conductors and transferring them to new pole during pole replacement.
n. Maintenance of pole signs, stencils, tags, etc.

2. Work of the following character on overhead conductors and devices:
a. Overhauling and repairing line cutouts, line switches, line breakers, etc.
b. Cleaning insulators and bushings.
c. Refusing cutouts.
d. Repairing line oil circuit breakers and associated relays and control wiring.
e. Repairing grounds.
f. Resagging, retying, or rearranging position or spacing of conductors.
g. Standing by phones, going to calls, cutting faulty lines clear, or similar activities at times of emergencies.
h. Sampling, testing, changing, purifying, and replenishing insulating oil.
i. Repairing line testing equipment.
j. Transferring loads, switching and reconnecting circuits and equipment for maintenance purposes.
k. Trimming trees and clearing brush.
l. Chemical treatment of right of way areas when occurring subsequent to construction of line.

3. Work of the following character on roads and trails:
a. Repairing roadway, bridges, etc.
b. Trimming trees and brush to maintain previous roadway clearance.
c. Snow removal from roads and trails.
d. Maintenance work on publicly owned roads and trails when done by utility at its expense.

4. Work of the following character on underground conduit:
a. Cleaning ducts, manholes, and sewer connections.
b. Minor alterations of handholes, manholes, or vaults.
c. Refastening, repairing, or moving racks, ladders, or hangers in manholes, or vaults.
d. Plugging and shelving or replugging ducts.
e. Repairs to sewers and drains, walls and floors, rings and covers.

5. Work of the following character on underground conductors and devices:
a. Repairing oil circuit breakers, switches, cutouts, and control wiring.
b. Repairing grounds.

c. Retraining and reconnecting cables in manhole, including transfer of cables from one duct to another.
d. Repairing conductors and splices.
e. Repairing or moving junction boxes and potheads.
f. Refireproofing of cables and repairing supports.
g. Repairing electrolysis preventive devices for cables.
h. Repairing cable bonding systems.
i. Sampling, testing, changing, purifying and replenishing insulating oil.
j. Transferring loads, switching and reconnecting circuits and equipment for maintenance purposes.
k. Repairing line testing equipment.
l. Repairs to oil or gas equipment in high voltage cable system and replacement of oil or gas.

3. Distribution Expenses

Operation

560 Operation supervision expenses.

This account shall include the cost of labor and expenses incurred in the general supervision and direction of the operation of the distribution system. Direct supervision of specific activities, such as station operation, line operation, meter department operation, etc., shall be charged to the appropriate account.

561 Line and station labor.

This account shall include the cost of labor incurred in the operation of distribution lines and stations.

Items

Line Labor:
1. Supervising line operation.
2. Changing line transformer taps.
3. Inspecting and testing lightning arrester, line circuit breakers, switches, and grounds.
4. Inspecting and testing line transformers for the purpose of determining load, temperature, or operating performance.
5. Patrolling lines.
6. Load tests and voltages surveys of feeders, circuits, and line transformers.
7. Removing line transformers and voltage regulators with or without replacement.
8. Installing line transformers or voltage regulators with or without change in capacity provided that the cost of first installation of these items is included in account 368, Line Transformers.
9. Voltage surveys, either routine or upon request of customers, including voltage tests at customer's main switch.
10. Transferring loads, switching and reconnecting circuits and equipment for operation purposes.
11. Electrolysis surveys.
12. Inspecting and adjusting line testing equipment.

Station Labor:
1. Supervising station operation.
2. Adjusting station equipment where such adjustment primarily affects performance, such as regulating the flow of cooling water, adjusting current in fields of a machine, changing voltage of regulators, or changing station transformer taps.
3. Keeping station log and records and preparing reports on station operation.
4. Inspecting, testing, and calibrating station equipment for the purpose of checking its performance.
5. Operating switching and other station equipment.
6. Standing watch, guarding and patrolling station and station yard.
7. Sweeping, mopping, and tidying station.
8. Care of grounds, including snow removal, cutting grass, etc.

562 Line and station supplies and expenses.

This account shall include the cost of materials used and expenses incurred in the operation of distribution lines and stations.

Items

1. Building service expenses.
2. Operating supplies, such as lubricants, commutator brushes, water, and rubber goods.
3. Station meter and instrument supplies, such as ink and charts.
4. Station record and report forms.
5. Tool expense.
6. Transportation expense.
7. Meals, traveling, and incidental expenses.

565 Street lighting and signal system expenses.

This account shall include the cost of labor, materials used and expenses incurred in the operation of street lighting and signal system plant.

Items

Labor:
1. Supervising street lighting and signal systems operation.
2. Replacing lamps and incidental cleaning of glassware and fixtures in connection therewith.
3. Routine patrolling for lamp outages, extraneous nuisances or encroachments, etc.
4. Testing lines and equipment including voltage and current measurement.
5. Winding and inspection of time switch and other controls.

Materials and Expenses:
6. Street lamp renewals.
7. Transportation and tool expense.
8. Meals, traveling, and incidental expenses.

566 Meter expenses.

This account shall include the cost of labor, materials used and expenses incurred in the operation of customer meters and associated equipment.

Items

Labor:
1. Supervising meter operation.
2. Clerical work on meter history and associated equipment record cards, test cards, and reports.
3. Disconnecting and reconnecting, removing and reinstalling, sealing and unsealing meters and other metering equipment in connection with initiating or terminating services including the cost of obtaining meter readings, if incidental to such operation.
4. Consolidating meter installations due to elimination of separate meters for different rates of service.
5. Changing or relocating meters, instrument transformers, time switches, and other metering equipment.
6. Resetting time controls, checking operation of demand meters and other metering equipment, when done as an independent operation.
7. Inspecting and adjusting meter testing equipment.
8. Inspecting and testing meters, instrument transformers, time switches, and other metering equipment on premises or in shops excluding inspecting and testing incidental to maintenance.

Materials and Expenses:
9. Meter seals and miscellaneous meter supplies.
10. Transportation expenses.
11. Meals, traveling, and incidental expenses.
12. Tool expenses.

Note: The cost of the first setting and testing of a meter is chargeable to utility plant account 370, Meters.

567 Customer installations expenses.

This account shall include the cost of labor, materials used and expenses incurred in work on customer installations and in inspecting premises and in rendering services to customers of the nature of those indicated by the list of items hereunder.

Items

Labor:
1. Supervising customer installations work.
2. Inspecting premises, including check of wiring for code compliance.
3. Investigating, locating, and clearing grounds on customers' wiring.
4. Investigating service complaints, including load tests of motors and lighting and power circuits on customers' premises; field investigations of complaints on bills or of voltage.
5. Installing, removing, renewing, and changing lamps and fuses.
6. Radio, television, and similar interference work including erection of new aerials on customers' premises and patrolling of lines, testing of lightning arresters, inspection of pole hardware, etc., and examination on or off premises of customers' appliances, wiring, or equipment to locate cause of interference.
7. Installing, connecting, reinstalling, or removing leased property on customers' premises.
8. Testing, adjusting, and repairing customers' fixtures and appliances in shop or on premises.
9. Cost of changing customers' equipment due to changes in service characteristics.
10. Investigation of current diversion including setting and removal of check meters and securing special readings thereon; special calls by employees in connection with discovery and settlement of current diversion; changes in customer wiring and any other labor cost identifiable as caused by current diversion.

Materials and Expenses:
11. Lamp and fuse renewals.
12. Materials used in servicing customers' fixtures, appliances and equipment.
13. Power, light, heat, telephone, and other expenses of appliance repair department.
14. Tool expense.
15. Transportation expense, including pickup and delivery charges.
16. Meals, traveling and incidental expenses.
17. Rewards paid for discovery of current diversion.

Note A: Amounts billed customers for any work, the cost of which is charged to this account, shall be credited to this account. Any excess over costs resulting therefrom shall be transferred to account 451, Miscellaneous Service Revenues.

Note B: Do not include in this account expenses incurred in connection with merchandising, jobbing and contract work.

569 Miscellaneous distribution expenses.

This account shall include the cost of labor, materials used and expenses incurred in distribution system operation not provided for elsewhere.

Items

Labor:
1. General records of physical characteristics of lines and substations, such as capacities, etc.
2. Ground resistance records.
3. Joint pole maps and records.
4. Distribution system voltage and load records.

5. Preparing maps and prints.
6. Service interruption and trouble records.
7. General clerical and stenographic work except that chargeable to account 566, Meter Expenses.
8. Operating records covering poles, transformers, manholes, cables, and other distribution facilities. Exclude meter records chargeable to account 566, Meter Expenses, and station records chargeable to account 561, Line and Station Labor.
9. Janitor work at distribution office buildings including snow removal, cutting grass, etc.

Materials and Expenses:

10. Communication service.
11. Building service expenses.
12. Miscellaneous office supplies and expenses, printing, and stationery, maps and records and first-aid supplies.

570 Rents.

This account shall include rents of property of others used, occupied or operated in connection with the distribution system, including payments to the United States and others for the use and occupancy of public lands and reservations for distribution line rights of way. (See operating expense instruction 2.)

Maintenance

571 Maintenance of structures and equipment.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of structures, the book cost of which is includible in account 361, Structures and Improvements, account 362, Station Equipment, and account 363, Storage Battery Equipment. (See operating expense instruction 1.)

572 Maintenance of lines.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of distribution line facilities, the book cost of which is includible in account 364, Poles, Towers and Fixtures, account 365, Overhead Conductors and Devices, account 366, Underground Conduit, account 367, Underground Conductors and Devices, and account 369, Services. (See operating expense instruction 1.)

ITEMS

1. Work of the following character on poles, towers, and fixtures:
a. Installing additional clamps or removing clamps or strain insulators on guys in place.
b. Moving line or guy pole in relocation of pole or section of line.
c. Painting poles, towers, crossarms, or pole extensions.
d. Readjusting and changing position of guys or braces.
e. Realigning and straightening poles, crossarms, braces, pins, racks, brackets, and other pole fixtures.
f. Reconditioning reclaimed pole fixtures.
g. Relocating crossarms, racks, brackets, and other fixtures on pole.
h. Repairing pole supported platform.
i. Repairs by others to jointly owned poles.
j. Shaving, cutting rot, or treating poles or crossarms in use or salvage for reuse.
k. Stubbing poles already in service.
l. Supporting conductors, transformers, and other fixtures and transferring them to new poles during pole replacement.
m. Maintaining pole signs, stencils, tags, etc.
2. Work of the following character on overhead conductors and devices:
a. Overhauling and repairing line cutouts, line switches, line breakers, and capacitor installations.
b. Cleaning insulators and bushings.
c. Refusing line cutouts.
d. Repairing line oil circuit breakers and associated relays and control wiring.
e. Repairing grounds.
f. Resagging, retying, or rearranging position or spacing of conductors.
g. Standing by phones, going to calls, cutting faulting lines clear, or similar activities at times of emergencies.
h. Sampling, testing, changing, purifying, and replenishing insulating oil.
i. Transferring loads, switching, and reconnecting circuits and equipment for maintenance purposes.
j. Repairing line testing equipment.
k. Trimming trees and clearing brush.
l. Chemical treatment of right of way area when occurring subsequent to construction of line.
3. Work of the following character on underground conduit:
a. Cleaning ducts, manholes, and sewer connections.
b. Moving or changing position of conduit or pipe.
c. Minor alterations of handholes, manholes or vaults.
d. Refastening, repairing or moving racks, ladders, or hangers in manholes or vaults.
e. Plugging and shelving ducts.
f. Repairs to sewers, drains, walls and floors, rings and covers.
4. Work of the following character on underground conductors and devices:
a. Repairing circuit breakers, switches, cutouts, network protectors, and associated relays and control wiring.
b. Repairing grounds.
c. Retraining and reconnecting cables in manhole including transfer of cables from one duct to another.
d. Repairing conductors and splices.
e. Repairing or moving junction boxes and potheads.
f. Refireproofing cables and repairing supports.
g. Repairing electrolysis preventive devices for cables.
h. Repairing cable bonding systems.
i. Sampling, testing, changing, purifying and replenishing insulating oil.
j. Transferring loads, switching and reconnecting circuits and equipment for maintenance purposes.
k. Repairing line testing equipment.
l. Repairing oil or gas equipment in high voltage cable system and replacement of oil or gas.
5. Work of the following character on services:
a. Moving position of service either on pole or on customers' premises.
b. Pulling slack in service wire.
c. Retying service wire.
d. Refastening or tightening service bracket.
e. Cleaning ducts.

573 Maintenance of line transformers.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of distribution line transformers, the book cost of which is includible in account 368, Line Transformers. (See operating expense instruction 1.)

574 Maintenance of street lighting and signal systems.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of plant, the book cost of which is includible in account 373, Street Lighting and Signal Systems. (See operating expense instruction 1.)

575 Maintenance of meters.

This account shall include the cost of labor, materials used and expenses incurred in the maintenance of meters and meter testing equipment, the book cost of which is includible in account 370, Meters, and account 395, Laboratory Equipment, respectively. (See operating expense instruction 1.)

576 Maintenance of miscellaneous distribution plant.

This account shall include the cost of labor, materials used and expenses incurred in maintenance of plant, the book cost of which is includible in account 371, Installations on Customers' Premises, and 372, Leased Property on Customers' Premises, and any other plant the maintenance of which is assignable to the distribution function and is not provided for elsewhere. (See operating expense instruction 1.)

ITEMS

1. Work of similar character to that listed in other distribution maintenance accounts.
2. Maintenance of office furniture and equipment used by distribution system department.

4. Customer Accounts Expense

Operation

901 Meter reading labor.

This account shall include the cost of labor incurred in reading customer meters and determining consumption when performed by employees engaged in reading meters.

ITEMS

1. Addressing forms for obtaining meter readings by mail.
2. Changing and collecting meter charts used for billing purposes.
3. Inspecting time clocks, checking seals, etc., when performed by meter readers and the work represents a minor activity incidental to regular meter reading routine.
4. Reading meters, including demand meters, and obtaining load information for billing purposes. Exclude and charge to account 566, Meter Expenses, or to account 902, Accounting and Collecting Labor, as applicable, the cost of obtaining meter readings, first and final, if incidental to the operation of removing or resetting, sealing, or locking, and disconnecting, or reconnecting meters.
5. Computing consumption from meter reader's book or from reports by mail when done by employees engaged in reading meters.
6. Collecting from prepayment meters when incidental to meter reading.
7. Maintaining record of customers' keys.
8. Computing estimated or average consumption when performed by employees engaged in reading meters.

902 Accounting and collecting labor.

This account shall include the cost of labor on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints.

ITEMS

1. Receiving, preparing, recording and handling routine orders for service, disconnections, transfers or meter tests initiated by the customer, excluding the cost of carrying

out such orders, which is chargeable to the account appropriate for the work called for by such orders.

2. Investigations of customers' credit and keeping of records pertaining thereto, including records of uncollectible accounts written off.

3. Receiving, refunding or applying customer deposits and maintaining customer deposit, line extension, and other miscellaneous records.

4. Checking consumption shown by meter readers' reports where incidental to preparation of billing data.

5. Preparing address plates and addressing bills and delinquent notices.

6. Preparing billing data.

7. Operating billing and bookkeeping machines.

8. Verifying billing records with contracts or rate schedules.

9. Preparing bills for delivery, and mailing or delivering bills.

10. Collecting revenues, including collection from prepayment meters unless incidental to meter reading operations.

11. Balancing collections, preparing collections for deposit, and preparing cash reports.

12. Posting collections and other credits or charges to customer accounts and extending unpaid balances.

13. Balancing customer accounts and controls.

14. Preparing, mailing, or delivering delinquent notices and preparing reports of delinquent accounts.

15. Final meter reading of delinquent accounts when done by collectors incidental to regular activities.

16. Disconnecting and reconnecting services because of nonpayment of bills.

17. Receiving, recording, and handling of inquiries, complaints, and request for investigations from customers, including preparation of necessary orders, but excluding the cost of carrying out such orders, which is chargeable to the account appropriate for the work called for by such orders.

18. Statistical and tabulating work on customer accounts and revenues, but not including special analyses for sales department, rate department, or other general purposes, unless incidental to regular customer accounting routines.

19. Preparing and periodically rewriting meter reading sheets.

20. Determining consumption and computing estimated or average consumption when performed by employees other than those engaged in reading meters.

NOTE: The cost of work on meter history and meter location records is chargeable to account 566, Meter Expenses.

903 Supplies and expenses.

This account shall include the cost of materials used and expenses incurred in meter reading and the handling of customer accounts.

ITEMS

1. Badges, lamps and uniforms.
2. Demand charts, meter books and binders and forms for recording readings, but not the cost of preparation.
3. Address plates and supplies.
4. Cash overages and shortages when written off.
5. Commissions or fees to others for collecting.
6. Payments to credit organizations for investigations and reports.
7. Postage.
8. Transportation of customer bills and meter books under centralized billing procedure.
9. Bank charges, exchange, and other fees for cashing and depositing customers' checks.
10. Forms for recording orders for services, removals, etc.
11. Rent of mechanical equipment.
12. Transportation, meals and incidental expenses.
13. Communication service.
14. Miscellaneous office supplies and expenses and stationery and printing.

904 Uncollectible accounts.

This account shall be charged with amounts sufficient to provide for losses from uncollectible utility revenues. Concurrent credits shall be made to account 144, Accumulated Provision for Uncollectible Accounts—Cr. Losses from uncollectible accounts shall be charged to account 144.

5. SALES EXPENSES

Operation

910 Sales expenses.

This account shall include the cost of labor and expenses incurred for the purpose of promoting the sale of electricity, other than merchandising, jobbing or contract work activities.

ITEMS

1. Advertising.
2. Demonstrating uses of utility service.
3. Home service activities.
4. Solicitation of new business.

914 Revenues from merchandising, jobbing and contract work.

915 Costs and expenses of merchandising, jobbing and contract work.

A. These accounts shall include, respectively, all revenues derived from the sale of merchandise and jobbing or contract work, including any profit or commission accruing to the utility on jobbing work performed by it as agent under contracts whereby it does jobbing work for another for a stipulated profit or commission and all expenses incurred in such activities.

B. Records in support of these accounts shall be so kept as to permit ready summarization of revenues, costs and expenses by such major items as are feasible.

NOTE: Revenues and expenses of merchandising, jobbing, and contract work shall be reported in this account, if a state regulatory body having jurisdiction over the utility requires such income to be reported as an operating expense item; but the revenues and expenses shall be reported in accounts 415 and 416, if such regulatory body requires such income to be reported as nonoperating income. In the absence of a requirement by a state regulatory body, the utility may use these accounts or accounts 415 and 416, at its option, in which case the practice of the utility must be consistent.

ITEMS

Account 914

1. Revenues from sale of merchandising and from jobbing and contract work.
2. Discounts and allowances made in settlement of bills for merchandise and jobbing work.

Account 915

Labor:

1. Canvassing and demonstrating appliances in homes and other places for the purpose of selling appliances.
2. Demonstrating and selling activities in sales rooms.
3. Installing appliances on customer premises where such work is done only for purchasers of appliances from the utility.
4. Installing wiring, piping, or other property work on jobbing or contract basis.
5. Preparing advertising materials for appliance sales purposes.
6. Receiving and handling customer orders for merchandise or for jobbing services.
7. Cleaning and tidying sales rooms.
8. Maintaining display counters and other equipment used in merchandising.
9. Arranging merchandise in sales rooms and decorating display windows.
10. Reconditioning repossessed appliances.
11. Bookkeeping and other clerical work in connection with merchandise and jobbing activities.
12. Supervising merchandise and jobbing operations.

Materials and Expenses:

13. Advertising in newspapers, periodicals, radio, television, etc.
14. Cost of merchandise sold and of materials used in jobbing work.
15. Stores expense on merchandise and jobbing stocks.
16. Fees and expenses of advertising and commercial artists' agencies.
17. Printing booklets, dodgers, and other advertising data.
18. Premiums given as inducement to buy appliances.
19. Light, heat and power.
20. Rent of sales rooms or of equipment.
21. Transportation expense in delivery and pick-up of appliances by utility's facilities or by others.
22. Stationery and office supplies and expenses.
23. Taxes directly assignable to merchandise and jobbing operations.
24. Losses from uncollectible merchandise and jobbing accounts.

6. ADMINISTRATIVE AND GENERAL EXPENSES

Operation

920 Administrative and general salaries.

A. This account shall include the compensation (salaries, bonuses, and other consideration for services, but not including directors' fees) of officers, executives, and other employees of the utility properly chargeable to utility operations and not chargeable directly to a particular operation function.

B. This account may be subdivided in accordance with a classification appropriate to the departmental or other functional organization of the utility.

921 Office supplies and expenses.

A. This account shall include office supplies and expenses incurred in connection with the general administration of the utility's operations which are assignable to specific administrative or general departments and are not specifically provided for in other accounts. This includes the expenses of the various administrative and general departments, the salaries and wages of which are includible in account 920.

B. This account may be subdivided in accordance with a classification appropriate to the departmental or other functional organization of the utility.

NOTE: Office expenses which are clearly applicable to any group of operating expenses other than the administrative and general group shall be included in the appropriate account in such group. Further, general expenses which apply to the utility as a whole rather than to a particular administrative function shall be included in account 930, Miscellaneous General Expenses.

ITEMS

1. Automobile service, including charges through clearing account.
2. Bank messenger and service charges.
3. Books, periodicals, bulletins and subscriptions to newspapers, newsletters, tax services, etc.
4. Building service expenses for customer accounts, sales, and administrative and general purposes.
5. Communication service expenses.
6. Cost of individual items of office equipment used by general departments which are of small value or short life.
7. Membership fees and dues in trade, technical, and professional associations paid by a utility for employees. (Company memberships are includible in account 930.)
8. Office supplies and expenses.
9. Payment of court costs, witness fees, and other expenses of legal department.
10. Postage, printing, and stationery.
11. Meals, traveling and incidental expenses.

922 Administrative expenses transferred—Cr.

This account shall be credited with administrative expenses recorded in account 920, and 921 which are transferred to construction costs or to nonutility accounts. (See electric plant instruction 3.)

923 Outside services employed.

A. This account shall include the fees and expenses of professional consultants and others for general services which are not applicable to a particular operating function or to other accounts. It shall include also the pay and expenses of persons engaged for a special or temporary administrative or general purpose in circumstances where the person so engaged is not considered an employee of the utility.

B. This account shall be so maintained as to permit ready summarization according to the nature of service and the person furnishing the same.

ITEMS

1. Fees, pay and expenses of accountants and auditors, actuaries, appraisers, attorneys, engineering consultants, management consultants, negotiators, public relations counsel, tax consultants, etc.
2. Supervision fees and expenses paid under contracts for general management services.

NOTE: Do not include inspection and brokerage fees and commissions chargeable to other accounts or fees and expenses in connection with security issues which are includible in the expenses of issuing securities.

924 Property insurance.

A. This account shall include the cost of insurance or reserve accruals to protect the utility against losses and damages to owned or leased property used in its utility operations.

B. Recoveries from insurance companies or others for property damages shall be credited to the account charged with the cost of the damage. If the damaged property has been retired, the credit shall be to the appropriate account for accumulated provision for depreciation.

C. Records shall be kept so as to show the amount of coverage for each class of insurance carried, the property covered, and the applicable premiums. Any dividends distributed by mutual insurance companies shall be credited to the accounts to which the insurance premiums were charged.

ITEMS

1. Premiums payable to insurance companies, for fire, storm, burglary, boiler explosion, lightning, fidelity, riot, and similar insurance.
2. Amounts credited to account 261, Property Insurance Reserve for similar protection.
3. Special costs incurred in procuring insurance.
4. Insurance inspection service.
5. Insurance counsel, brokerage fees, and expenses.

NOTE A: The cost of insurance or reserve accruals capitalized shall be charged to construction either directly or by transfer to construction work orders from this account.

NOTE B: The cost of insurance or reserve accruals for the following classes of property shall be charged as indicated:

(1) Materials and supplies and stores equipment to stores expenses or to appropriate materials account.

(2) Transportation and garage equipment, to account 933, Transportation Expenses.

(3) Electric plant leased to others, to account 413, Expenses of Electric Plant Leased to Others.

(4) Nonutility property, to the appropriate nonutility income account.

(5) Merchandise and jobbing property, to account 416, Costs and Expenses of Merchandising, Jobbing and Contract Work, or account 915, as appropriate.

925 Injuries and damages.

A. This account shall include the cost of insurance or reserve accruals to protect the utility against injuries and damages claims of employees or others, losses of such character not covered by insurance, and expenses incurred in settlement of injuries and damages claims.

B. Reimbursements from insurance companies or others for expenses charged hereto on account of injuries and damages and insurance dividends or refunds shall be credited to this account.

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1. Premiums payable to insurance companies for protection against claims from injuries and damages by employees or others, such as public liability, property damages, casualty, employee liability, etc., and amounts credited to account 262, Injuries and Damages Reserve for similar protection.
2. Losses not covered by insurance or reserve accruals on account of injuries or deaths to employees or others and damages to the property of others.
3. Fees and expenses of claim investigators.
4. Payment of awards to claimants for court costs and attorneys' services.
5. Medical and hospital service and expenses for employees as the result of occupational injuries, or resulting from claims of others.
6. Compensation payments under workmen's compensation laws.
7. Compensation paid while incapacitated as the result of occupational injuries. (See Note A.)
8. Cost of safety, accident prevention and similar educational activities.

NOTE A: Payments to or in behalf of employees for accident or death benefits, hospital expenses, medical supplies or for salaries while incapacitated for service or on leave of absence beyond periods normally allowed, when not the result of occupational injuries, shall be charged to account 926, Employee Pensions and Benefits. (See also Note B of account 926.)

NOTE B: The cost of injuries and damages or reserve accruals capitalized shall be charged to construction directly or by transfer to construction work orders from this account.

NOTE C: Exclude herefrom the time and expenses of employees (except those engaged in injuries and damages activities) spent in attendance at safety and accident prevention educational meetings, if occurring during the regular work period.

NOTE D: The cost of labor and related supplies and expenses of administrative and general employees who are only incidentally engaged in injuries and damages activities may be included in accounts 920 and 921 as appropriate.

926 Employee pensions and benefits.

A. This account shall include pensions paid to or on behalf of retired employees, or accruals to provide for pensions, or payments for the purchase of annuities for this purpose, when the utility has definitely, by contract, committed itself to a pension plan under which the pension funds are irrevocably devoted to pension purposes, and payments for employee accident, sickness, hospital, and death benefits, or insurance therefor. Include, also, expenses incurred in medical, education or recreational activities for the benefit of employees.

B. The utility shall maintain a complete record of accruals or payments for pensions and be prepared to furnish full information to the Commission of the plan under which it has created or proposes to create a pension fund and a copy of the declaration of trust or resolution under which the pension plan is established.

C. There shall be credited to this account the portion of pensions and benefits expenses which is applicable to nonutility operations or which is charged to construction unless such amounts are distributed directly to the account involved and are not included herein in the first instance.

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1. Payment of pensions under a nonaccrual or nonfunded basis.
2. Accruals for or payments to pension funds or to insurance companies for pension purposes.
3. Group and life insurance premiums (credit dividends received).
4. Payments for medical and hospital services and expenses of employees when not the result of occupational injuries.
5. Payments for accident, sickness, hospital, and death benefits or insurance.
6. Payments to employees incapacitated for service or on leave of absence beyond periods normally allowed, when not the result of occupational injuries, or in excess of statutory awards.
7. Expenses in connection with educational and recreational activities for the benefit of employees.

NOTE A: The cost of labor and related supplies and expenses of administrative and general employees who are only incidentally engaged in employee pension and benefit activities may be included in accounts 920 and 921, as appropriate.

NOTE B: Salaries paid to employees during periods of nonoccupational sickness may be charged to the appropriate labor account rather than to employee benefits.